



SUSTAINABILITY  
REPORT  
**2012**



***Ingeteam***



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## SUSTAINABILITY REPORT

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## Letter from the Ingeteam C.E.O.

D. JAVIER OJEDA



Ingeteam's mission is underpinned by a desire for efficiency in all our work and in all the products and services offered to our customers. And, in this respect, we consider Social Responsibility to be a strategic tool involving all our business units and shaping our brand in the development of good practices derived from good corporate governance. Since this is the way to ensure equal benefit for customers, employees and suppliers alike, as well as supporting the environment and the community. Indeed, at Ingeteam we have always considered that professional ethics, transparency and responsibility must be part of our core values, on which each and every one of our actions should always be based.

However, in turn, these fundamentals unquestionably require measurable and comparable data. For this reason, we are continuing to apply the criteria established in the Global Reporting Initiative (GRI), as this serves as a comparative base for analysing the evolution of our company over time with regard to the key aspects of corporate responsibility.

And it is also thanks to all these tangible efforts that, today, we are leaders in innovation directed at protecting the community and environment alike.

Yes, Ingeteam is currently a leader in innovation, which is essential to attract and retain the best personnel and which allows us in turn to act responsibly as citizens of our communities. Unquestionably, one of the key success factors in achieving this goal consists in developing energy-efficient solutions, products and systems that are increasingly improved: products that strengthen the electricity grids and optimise processes, yet which are also able to save energy and minimise any environmental impact. Since the focus of our sustainability model constantly encourages our researchers to guarantee that each new development meets the strictest criteria established for this purpose.

However, we are also innovating in our management. And clear proof of this is the fact that, today, our employees have a comprehensive vision of the role of our company in society and of our responsibility to all the actors involved in our activity. And our code of conduct is confirmation in itself of this fact. Occupational health and safety is another area in which we are progressing successfully, being one of the four areas on which we are focussing in this Report.

In short, our environmental protection actions, our responsibility to our employees and the actions undertaken with our closest actors, namely our suppliers and the communities in which we operate, are all aspects of our mission which serve to define the message that sustainability is an essential part of our business.

And we continued along those lines up until 2012, a year in which we advanced still further towards the goal of sustainability, by becoming a member of the Global Compact. However, I would also like to point out that Ingeteam Energy did in fact endorse the Global Compact in Spain in 2002, when it was first launched, being one of its founding members. And, last year, with the company restructuring to form Ingeteam Power Technology, we agreed to extend this membership to the rest of the organisation.

A handwritten signature in black ink, appearing to be 'J. Ojeda', written in a cursive style.

**Javier Ojeda**  
C.E.O.

# Introduction



This Sustainability Report links Ingeteam's responses with the demands and expectations of society and, in particular, with those of our many stakeholders who have a key interest in our business.





The information provided in this report is structured according to scope and activity, making consultation as simple as possible. Furthermore, for the fifth year running, the report has been prepared according to the G3 Global Reporting Initiative (GRI) standard, as these indicators makes it easier to understand our progress in the social and environmental areas.

2012 was marked by the consolidation of the foundations of our CR management model, which we are continuing to develop in 2013. We are focussed on making progress in energy efficiency, on optimising the treatment of waste in all our companies and on reducing the environmental impact caused by our business activity. We are also concerned with bringing our team of staff together, by pro-

moting their training, career development, better reconciliation of working and family life, whilst endeavouring to create a friendly and favourable working environment. We are continuing to make progress towards our goal to minimise accidents at work through the integration of Occupational Risk Prevention in the daily management of our business, with the ultimate aim of becoming a benchmark in occupational health and safety. Based on transparent business ethics, we are also careful to safeguard our commitments with suppliers and customers alike. Furthermore, Ingeteam's activities also have a positive impact on the communities in which the company is established, contributing to the development of society.

# SUSTAINABILITY REPORT

“ Nature is grateful for each and  
every one of our efforts ”

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## Mission, vision and values

CLAIMS PRESENT FOR ALL  
OF US FORMING PART OF  
INGETEAM



### MISSION

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“To apply engineering to the research, design, production and sale of products and services in those technological areas in which there is a significant energy exchange, with regard to generation and consumption alike, in order to help change the present-day energy model and promote the well-being of mankind”.

### VISION

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“To achieve a leadership position for our products in those markets in which we are operating”.



## VALUES

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For all of us who are part of Ingeteam, as is to be expected from a large company, the proactive assumption of values goes beyond the mere declaration of intent.

Because values are internalised. Values underlie the actions of each and every person and are then communicated, to become a collective interest in most cases. However the assumption of values entails an implicit responsibility: that of accepting and embracing one or more all-encompassing principles which, due to their merits, move us to coherently commit ourselves. At Ingeteam, the performance of our activities is governed by these corporate values. As well as endeavouring to improve the quality of each and every one of our tasks on a daily basis, whilst always ensuring that our customers' needs are covered, we analyse the facts and commit ourselves to achieving results.

We act with integrity, based on our personal honesty and, then, corporate honesty, thereby promoting fair treatment, mutual respect, trust and all the wealth brought by diversity to our organisation. We are concerned for the well-being of people and the community as a whole, whilst also endeavouring to move forward together, towards the achievement of sustainable, environmentally-friendly growth.

In short, our values coincide with the principles of CSR, which we are also endeavouring to standardise within our organisation. Values which we are disseminating with the fluidity of a communication which is transparent and open to everyone, although it is primarily directed at our stakeholders.

# Sustainability report

## INCREASINGLY SAFER AND CLEANER ENVIRONMENTS



As a socially responsible company, endeavouring to progress towards an increasingly sustainable model, we are coherently transmitting the principles of CSR to all levels of the organisation. And in our desire to create value, we are specifically concerned with people and the environment. Consequently, we strive to protect and assist our team of staff as the first link in the natural chain that today we are part of, and which we would also like to preserve as the best legacy for future generations.





Our daily efforts are therefore directed towards these priorities: on the one hand, care of our employees through a studied human resources management policy aimed at promoting important aspects such as equality, diversity, tenure, training and the reconciliation of work and family life. But also, and most importantly, we would highlight our initiatives with regard to Occupational Health and Safety, directed at achieving increasingly safer working environments and at progressively extending the health and safety culture to all those people making up our team. Today this concern is ongoing in our company, strengthened still further by the launch of a series of campaigns over the last few years, under the generic heading “Safe Zone”. This is a constantly evolving concept that we are further developing, for example, by sharing information on risks or coordinating risks for the various business activities performed within the Group.

Finally, we are endeavouring to consolidate our active commitment to the environment and to do our utmost with regard to environmental care and protection. To summarise, we aim to improve energy efficiency still further by undertaking an environmental management policy which promotes the efficient use of natural resources and aims to optimise the treatment of waste, whilst striving to minimise pollution in all those scenarios in which we operate. Needless to say, this criterion has governed our actions for many years now.

Our concern for the well-being of mankind and the protection of the natural environment are, in short, the expression of our corporate responsiveness and are the pillars supporting Ingeteam’s actions for the common good.

## Our commitment to the environment

WE PREVENTED THE EMISSION OF  
MORE THAN 4,000 MILLION TONS  
OF CO<sub>2</sub> INTO THE ATMOSPHERE



At Ingeteam we are working to expand our activities in an environmentally-friendly way, from the deeply rooted knowledge and conviction that the conservation of the natural surroundings and sustainable development provide an added value to the Group which benefits the quality of life of our customers and society in general.

By our way of thinking, the responsible integration of sustainable development involves the implementation of policies which, right from the outset, reconcile the necessary balance between all aspects of company life: its economic interests; its social dimension; and, specifically, its environmental awareness, assuming a firm commitment with future generations.





The problems resulting from environmental pollution at a global level, such as climate change, desertification or the loss of water quality and quantity, are challenges for society as a whole, but they are also of great concern to us. In this respect, we are clearly committed to minimising the environmental impact of all our activities, whilst endeavouring to implement energy efficiency by saving natural resources and reducing consumption. In the course of this year, with the manufacture of our equipment, we have prevented the emission of 4,000 million tons of CO<sub>2</sub> into the atmosphere.

For many years now we have strived to be an exemplary company in the environmental management of all processes, systems and persons working for us on a daily basis, together with the administrations and the public in general. Our aim is to ensure that, between all of us, we can enjoy increasingly safe and cleaner environments.

In this way, in the course of 2012, we refined our environmental management policy, continuing with the improvements introduced in previous years, the majority of which were directed at providing a more accurate assessment of the repercussion of our activities, through the adoption of new scoreboards, criteria and more reliable calculations, to ensure that these are more in line with reality. Today we have systematised the application of some of these new measurement criteria up to the point that it is now possible to specify, for example, with regard to recycling, separate data for paper and cardboard. Furthermore, we have also now included the data provided by our foreign subsidiaries in the direct energy consumption calculation. In addition to these improvements, we have also endeavoured to reduce some vital consumptions such as water through corrections made in the test bench water cooling systems and the work conducted to detect and correct leaks. However, unquestionably, the measure of our efforts to achieve sustainable development lies in the substantial increase in our investments dedicated to environmental sustainability, made despite the current unfavourable economic climate.

## GRI INDICATORS

### EN1 RECYCLING OF MSW

The rational use of paper, cardboard, wood and chemicals is progressing in order to optimise consumption, whilst the increase in the figures in 2012 corresponds to a production increase in some of our business units.

	2011	2012
Paper consumed _____ Kg. per person and year _____	14.44	<b>14.56</b>
Cardboard consumed _____ Kg. per person and year _____	11.82	<b>15.63</b>
Wood consumed _____ Kg. per person and year _____	83.33	<b>98.96</b>
Chemicals consumed _____ Kg. per person and year _____	25.09	<b>35.24</b>

### EN2 RECYCLING OF MSW (PAPER)

Following the systematization of the application of the new measurement criteria (separating the data for paper from those for cardboard), the data for 2012 show a drop in the purchase of paper. This drop is due to the fact that, during the previous financial year, there was a greater supply of both materials.

	2011	2012
Paper recycled _____ 32.89 % _____		<b>15.64 %</b>
Cardboard recycled _____ 12.51 % _____		<b>19.64 %</b>

### EN3 DIRECT ENERGY CONSUMPTION

Increased production at a number of business units, in addition to the opening of new subsidiaries have led to greater consumptions.

	2011	2012
Electricity _____ kWh per person _____	3,870	<b>4,599</b>
Natural gas _____ kWh per person _____	2,444	<b>3,829</b>
Gasoil _____ kWh per person _____	396	<b>413</b>

### EN6 CO<sub>2</sub> EMISSIONS AVOIDED THROUGH THE USE OF THE RENEWABLE ENERGY SYSTEMS AND EQUIPMENT PRODUCED BY INGTEAM IN THE COURSE OF THE YEAR

The production of generation equipment applied to renewable energy plants, in the wind power, PV and hydraulic areas, prevents the emission of a significant number of tons of greenhouse gases each year.

	2011	2012
CO <sub>2</sub> emissions avoided per year _____ MTn _____	4,337	<b>4,125</b>

### EN8 WATER CONSUMPTION

In contrast to the increased consumption of some materials, water consumption has experienced a considerable decrease for a number of reasons. On the one hand, we have been working to locate and correct water leaks. On the other hand, the corrective measure undertaken for the test bench water cooling system has prevented unnecessary consumption.

	2011	2012
Litres of water consumed per person and day _____ by person and day _____	57	<b>37.5</b>

## EN16 GREENHOUSE GAS EMISSIONS

As is also the case with other indicators, the increased production has entailed an increase in the emission of greenhouse gases.

	2011	2012
Tons of CO2 (from fossil fuels)	2,158	3,149
Tons of CO2 (from electricity consumption)	5,088	5,672

## EN22 WASTE (TN.)

We have reduced hazardous waste by almost 20% whilst we have also made other significant reductions such as in plastic and electrical waste. On the other hand, in the specific case of wood, there has been a rise due to the execution of some projects in places in which the usual recycling of this material was not possible.

	2011	2012
Paper	39.7	39
Cardboard	99	126
Plastic	31	28
Wood	31	200
Hazardous waste	120	95
Metals	1,625	1,979
Electrics - electronics	20	16

## EN26 CO2 EMISSIONS FROM VEHICLE MOVEMENT

The increased sales activity in 2012 has logically led to an increase in emissions of this type.

	2011	2012
CO2 in Tn. coming from company vehicle movement	459	624
CO2 in Tn. coming from vehicle movement to and from work	3,732	5,378

## EN30 AMOUNT IN EUROS FOR ENVIRONMENTAL EXPENDITURE AND INVESTMENT

Despite the difficult economic climate, we not only maintained but increased the investments dedicated to environmental sustainability. This effort reflects the Group's concern in this area, which is so significant for the performance of our activities.

	2011	2012
Environmental expenditure and investment	306,770.14	428,508



## Our Occupational Health & Safety Policy

### REDUCTION IN ACCIDENT RATES



Over the last few years we have made a significant qualitative leap forward with regard to the reduction in accident rates, hand in hand with the internalisation of the occupational health and safety culture by all our team of staff.





Indeed, as a result of our Strategic Plan, we have carried out a considerable number of actions in the area of occupational health and safety, of which we would highlight our “Safe Zone” information campaigns and related forums, all directed at raising the awareness of our staff and specifically at increasing their motivation and training. As a result, approximately a 50% reduction in Group accident rates was recorded in relation to previous years. This downward trend is far from stopping and is set to continue in the future, thanks to the more than evident involvement of all Ingeteam’s employees.

In 2012, the organisation continued to make further improvements along these lines, although adapting to

the changes and new developments within the Group as a result of the corporate restructuring process. Given the fact that, with the creation of Ingeteam Power Technology, from the merger of 8 companies, and pursuant to the provisions of the applicable regulations, in January 2012 an Own Risk Prevention Service was created for this company.

However, beyond the subsequent reorganisation of the risk prevention system, this change also involved an additional challenge, with the need to standardise the objectives and resulting actions in the different production units.

In this respect, the ongoing international expansion of the company and the opening of new subsidiaries with new projects, presented the challenge of transmitting our way of working to other countries, whilst always maintaining the objective of guaranteeing the health and safety of all Ingeteam workers, by applying the strictest criteria.

In the course of 2012, the following areas were addressed:

- Reduction in the principal accident rates.
- Restructuring of the risk prevention organisation.
- Development of common policies and procedures, improving the management systems.
- Structuring at an international level.





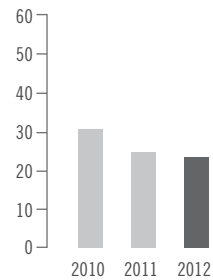
## HIGHLIGHTS OF 2012

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- Reduction in accident rates.
- Creation of an Own Risk Prevention Service for Ingeteam Power Technology.
- Development of the project to integrate safety inspections and preventive observations within the organisation, thereby contributing to the integration of the risk prevention activity within the company.
- Execution of the scheme entitled “Train at your workstation to benefit your health”, directed at heightening the awareness of our personnel with regard to improving posture, and with the implementation of a number of measures aimed at reducing load handling and repetitive movements.
- The acquisition of defibrillators for the test bench areas and training those affected in how to operate them.
- OHSAS 18001 certification for the Ingeteam companies.

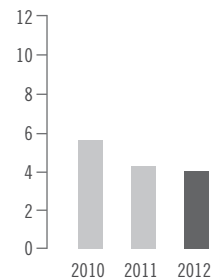
### Frequency rate

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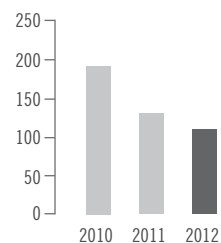
### Incidence rate

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### Work-related accidents with absence from work

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## CHALLENGES FOR 2013

- Maintain the downward trend for accident rates.
- Consolidate the Own Risk Prevention Service for Ingeteam Power Technology.
- Establish an improvement strategy for the management of occupational health and safety in the transnational provision of services.
- Improve the selection of work wear and equipment providing protection against electrical hazards.
- Ergonomically improve the most critical work stations, through specific studies, defined and prepared internally.

There is no doubt that the strictness, enthusiasm and dynamism of our OHS-related actions continue to inspire us with optimism and confidence in our endeavour to achieve our overarching goal, namely an almost zero

accident rate as a result of the complete internalisation of the occupational health and safety culture. This favourable attitude adopted by Ingeteam was also acknowledged in 2012 by a number of entities and businesses we have had dealings with, making specific mention of:

- Monthly award to Pine Instalaciones y Montajes for the work of ELECTRICAL INSTALLATION EAST - NORTH PLATF Y BRIDGE WHPE E & IT WITHIN THE SOUTH ARNE – PHASE 3 DEVELOPMENT project for the company DRAGADOS OFFSHORE, S.A.
- Third prize for the best preventive practice, awarded by Asepeyo to Ingeteam S.A. for its Simulator for the training of maintenance technicians.

	2010	2011	2012
Work-related accidents with absence from work	195	133	<b>123</b>
Days lost due to accident	3,417	2,154	<b>2,582</b>
Incidence rate	5.57	4.36	<b>4.2</b>
Frequency rate	31.96	25.48	<b>24.5</b>
Severity rate	0.56	0.41	<b>0.51</b>



## Our team of staff

### THE GROUP'S HALLMARK



3000 people work together at Ingeteam, forming a team dedicated to, serve efficiently our customers, promoting a change of energy model, applying engineering and determined to ensure the development of our community and that of our own organisation.

Consequently, our efforts require a well-conceived human resources management policy, in order to best promote our professional capabilities, based on the company's needs whilst allowing us to grow in the personal and family sphere.

This idea of work and family reconciliation has served as a basis for the conduct guidelines assumed by the company for many years now, and also for our commitment to strengthen occupational health and safety and the ongoing desire to provide the most adequate training to all company personnel.



The unity thereby achieved in our team of staff is today a hallmark which the company is proud of. Measures are imposed, directed at improving the quality of recruitment by increasing, for example, the proportion of permanent contracts in relation to temporary contracts, by facilitating a reduction in working hours or else encouraging flexi-time. The length of time spent working at the company therefore increases, as does the average age of our employees, who strengthen their position as professional experts and whose training progresses in parallel, given our desire to specifically focus on this essential aspect of their profile. After all, the high technical demands of our activity requires increasingly greater and more specialised training, capable of adapting to the changes and new challenges faced each year. Unquestionably, this ultimately has a positive impact on the quality of our products and services and on the improvement of our productivity.

However, a comprehensive and balanced human dimension, which we also desire for the entire organisation, drives us to promote gender equality, by favouring the presence of women not only with regard to the average workforce, but also on our boards of directors. And our concern to guarantee diversity and equal opportunities has led us to press ahead with the alterations which had already been started at our facilities in the past, directed at making our facilities disabled-friendly. And, in this respect, the direct and indirect recruitment of disabled persons has risen. In the knowledge that a harmonious social environment increases business opportunities. And these are parameters that need to be closely monitored. Because, taken as a whole, they help give the sincere measurement of our commitments to society.

## GRI INDICATORS

### LA1 GROWTH OF THE WORKFORCE

The average age of our employees and the average time spent working at the company are increasing progressively and simultaneously. Despite the current economic difficulties, with regard to net job creation, Ingeteam is committed to maintaining its workforce.

		2010	2011	2012
Average time spent working at the company	_____ years	6.52	7.71	<b>8.26</b>
Net job creation in the course of the year	_____ n° jobs	-275	-400	<b>-31.3</b>
Average age	_____ years	35.22	36.93	<b>37.32</b>

### LA2 TYPE OF CONTRACT

The number of permanent contracts has progressively increased, serving to strengthen our professionals in their posts.

		2010	2011	2012
Permanent contracts in relation to the total workforce	_____ %	77.90	83.87	<b>83.42</b>
Outsourcing of recruitment through TEA's	_____ %	0.03	0.08	<b>0.11</b>

### ACCESS TO FAMILY RECONCILIATION MEASURES

A considerable increase in the percentage of workers on part-time work can be observed. The reasons include the average age of the workforce, and employee consolidation, etc.

		2010	2011	2012
Part-time workers	_____ %	3.02	3.96	<b>6.03</b>
Flexi-time workers	_____ %	40.93	44.34	<b>37</b>

### LA10 TRAINING

The number of hours dedicated to personnel training was maintained, aiming to preserve the level of quality whilst optimising costs by encouraging internal training.

		2010	2011	2012
Training hours per year per person	_____ h	32	26	<b>26</b>
Cost of training per year per person	_____ (€)	243	375	<b>222</b>

\*In 2012, a total of 73,274 training hours were given



## LA13 DIVERSITY AND EQUAL OPPORTUNITIES

Of particular note is the sustained gender equality over time, at Ingeteam. The recruitment of women and the type of contracts has scarcely varied in relation to 2011.

### GENDER EQUALITY

		2010	2011	2012
Women in relation to the average workforce	_____ % _____	16.63	18.46	<b>18.56</b>
Men in relation to the average workforce	_____ % _____	83.36	81.54	<b>81.44</b>
Women with a permanent contract	_____ % _____	72.70	76	<b>78</b>
Men with a permanent contract	_____ % _____	71.30	74.5	<b>76</b>
Women on governing bodies in the company	_____ % _____	11.43	14.02	<b>13</b>
Men on governing bodies in the company	_____ % _____	88.57	85.98	<b>87</b>

### INTEGRATION OF THE DISABLED

We are continuing with the improvement of our facilities, to make them disabled-friendly, whilst there is also a positive trend for the recruitment of disabled persons.

		2010	2011	2012
Indirect recruitment of the disabled	_____ % _____	4.24	2.23	<b>2.32</b>
Direct recruitment of the disabled	_____ % _____	0.53	0.35	<b>0.39</b>
Companies with disabled-friendly facilities	_____ % _____	77.5	83.63	<b>91</b>



## Our support for the community

WE INTERACT WITH THOSE  
COMMUNITIES IN WHICH WE  
ARE PRESENT



Right from the outset Ingeteam has been committed to contributing to the wealth and development of the community, particularly where our presence is most deeply-rooted, given the fact that companies have a primary impact on the social environment in which they operate.



The improvement of relations with society is therefore an additional success factor. In this respect, however, the interaction with the community in periods governed by a difficult economic context, such as this present one, takes on a new and deeper dimension, given the fact that in certain cases, we have established

stronger, closer links with society by giving our support to help alleviate some of its most pressing needs. At Ingeteam, we are making an increased effort to responsibly attend to the demands and initiatives put to us from numerous social entities, by involving ourselves.



Therefore, in order to guarantee the effectiveness of our contributions in any of the different types of sponsorship in which we may be involved, we have established certain criteria with regard to selection and duration, depending on the scope of each particular project. We can therefore distinguish between the following forms or types of sponsorship:

- **TECHNICAL:** The purpose of the sponsorship is directly related to the technical activity carried out at Ingeteam, either innovation or an industrial procedure.
- **SOCIAL (SOCIO-CULTURAL):** The purpose of the sponsorship is directly related to our CSR policy. It may include and implement educational or environmental projects, or ones to support the communities in which we are operating.
- **SPORTS:** This type of classic sponsorship is specifically directed at achieving brand definition and aware-

ness. In our specific case, it must be linked to our positioning values and must be related to those activities meeting the following requirements:

- Sports activities that have some relationship with the sectors in which we work
- Activities therefore that are not mass sports, but are technified and environmentally-friendly.
- Activities supporting sports for the disabled.
- **OTHERS:** projects that serve to distinguish us, offering a competitive advantage or focussing on occupational health and safety, etc.

And, based on these parameters, in 2012 we promoted the following sponsorship and patronage activities:



## IN THE TECHNICAL AREA

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- **6th Edition of the TECNALIA Journalism Award** for the Dissemination of Technological Research and Innovation, with the slogan “Innovation for Society”, directed at recognising professionals in the Media (Press, Radio, TV and Internet) for their role in disseminating research and innovation to the general public and, therefore, in furthering the scientific culture of citizens and Society in general. The works presented focussed on Sustainable Development, Health and the Quality of Life of People, Conservation of Natural Resources, Competitiveness and Technological Development and the Digitised Society.
- **Presentation during the Madrid EcoCity eco-technological event**, held in Madrid, in April, of a prototype for a DC rapid charge point based on the CHAdeMO standard, and participation in the technical conferences.
- **Sponsorship of the international Rail Power Europe 2012 convention**, held in Berlin, during which Ingeteam took part in a conference in which the company presented a paper on the INGEBER system.
- **Sponsorship of ESMARTCITY (TECMARED GROUP)**, the first portal on Smart Cities, created in June (and with a present average of more than 6,000 visits a month). This portal hosts all the latest information on the sector (including news, interviews and other channels and services). It features a companies and events guide and publishes a daily Newsletter which is sent to more than 2,000 members. ESMARTCITY covers topics relating to Smart Grids, e-administration, Smart Water, Public Security, e-Health, Smart citizens, Sustainable Mobility, telecommunications, Street Lighting, Automation and Control Networks, Smart Buildings, etc.
- **Sponsorship of the Association of Marine Engineers (AINE)**, during the 51st Congress of Marine Engineering and the Maritime Industry, held in October in Gijón, with the theme “The maritime future of Spain and its role in Europe. Impact on Asturias” during which Ingeteam presented a paper reviewing the considerations to be taken into account when designing electrical solutions for 5-7 MW wind turbines.
- **Sponsorship of the HYDRO 2012** International Hydro-power Summit, held in October in Bilbao, attended by more than 1,300 experts from 90 countries related to this sector in the industrial, financial and institutional fields. In the course of the summit, outstanding papers were presented by the World Bank and the International Energy Agency.
- **Sponsorship of SMART CITY ENDESA TECHNOLOGY.** In March, the Smartcity Consortium (headed by Endesa, in collaboration with Enel, in which Ingeteam is also involved, together with other companies from the sector), inaugurated its Control and Monitoring Centre in Malaga. Smartcity is a more than 30 million Euro pioneering project in Spain, proposing a new energy management model for cities, directed at achieving a 20% energy saving, plus a reduction of 6,000 tons in CO2 emissions per year and an increase in the consumption of renewable energies.

The project has become a global point of reference in the development of cutting-edge energy technologies. Already 300 industrial customers, 900 services and 11,000 domestic customers are benefiting from its initiatives.

## IN THE SOCIAL AREA

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- **Ingeteam receives the Korta award.** This year, Miguel Gandiaga, one of Ingeteam founders, was selected by the Jose Mari Kortaren Bidetik Foundation (which is Basque for “on the way of José María Korta”) to receive the award granted to businessmen who, throughout their professional career, have demonstrated a commitment to values directed at developing the milieu in which the company conducts its business.
- **Sponsorship of Euskadiko Orkestra.** Ingeteam continued its ongoing support for the Orchestra of the Basque Country, in its noble endeavour to bring music closer to the general public. Our contribution to this major cultural institution (this leading symphony orchestra has more than 7,000 subscribers and an average of 150,000 spectators per year) expresses our commitment to understanding culture as a fundamental asset for society as a whole. And also as an economic driver.
- **Sponsorship of the Musical Association of Engineers of Bizkaia.** Also, as in previous years, we have maintained our support for the choir of the centuries-old School of Engineers of Bilbao, dedicated to disseminating choral music. Amongst its many concerts held throughout the year, of particular note are those given in October in Salzburg (Austria), in the cathedral and in the Franciscan Church in that city.
- **Sponsorship of the Alfredo Kraus Musical Association (AMAK).** In memory of Alfredo Kraus, this non-profit entity promotes projects and initiatives directed at maintaining the memory of this tenor alive, by helping young singers through the organisation of concerts, performances, conferences, musical tours and also promotes the teaching and dissemination of music and choral singing as instruments for understanding and harmony. Ingeteam has been collaborating with this association on an ongoing basis for a number of years now.
- **Donation to United Fire-fighters Without Borders.** This NGO is ready to act in the event of a catastrophe by taking immediate response teams to the area (it has branches in Guatemala, Nicaragua and Peru). Furthermore, it executes co-operation projects in Spain and South America, raising social awareness with regard to all types of emergencies and natural catastrophes. Ingeteam has been supporting this work for a number of years.
- **Donation to DYA (Stop and Help).** Also, as in previous years, we have been supporting the commendable work of this non-profit entity which aspires to improve road safety by driver awareness-raising. DYA attends to and transfers all types of sick and injured people to hospital and organises a number of courses and seminars on road safety, in addition to providing psychological assistance to relatives and the victims of traffic accidents.
- **Donation to AFIM.** We are continuing with our commitment to this private non-profit charity foundation, dedicated to promoting specific activities and schemes directed at the training, guidance and employment of the physically and mentally handicapped, people with sensory impairment and other mental disorders.
- **Donation to KONTSEILUA.** Kontseilua, the Council for Social Bodies of the Basque language, is formed by 46 associations acting as a platform, with the disseminating mission of promoting the collaboration required to normalize the situation of the Basque language within the Basque society. For yet another year, Ingeteam has lent its support to Kontesilua's work in favour of the Basque language and culture.
- **Support for the Italian Foundation ASVI (Association of Volunteers for International Service ).** Dedicated to sponsoring children in South America, this initiative





was promoted at Christmas and, like the year before, has helped a group of children aged between 3 to 16 years and with no resources to attend school, through a number of specific learning schemes, including educators and educational material.

- **Sponsorship of the University of Deusto**, through its Employment Forum. As in previous years, we continued to collaborate in the training and incorporation of students in the labour market and we imparted classes in advanced Masters, based on the University's syllabus.
- **Donation and collaboration with the Armería Eskola Institute for Vocational Training**. Armeria Eskola is an educational centre which supports the industrial development of Eibar and its district. Initially its teaching maintained a close relationship with the arms industry existing at that time, and subsequently went on to specialise in areas of precision mechanics, electricity-electronics, design and quality management. A major proponent of new technologies, and still maintaining

close relations with the industries in the area, this publicly-owned school now operates as a Specific Institute of Higher Vocational Training, coming under the Basque Government Department of Education, Universities and Research, offering initial, intermediate and high level Vocational Training.

- **Sponsorship of the Open Days held by the Technology Parks of the Basque Country**. As is our custom each year, we actively participated in this annual event. At the Technology Park of Miñano, following the recent establishment of Ingeteam Power Plants, we were present in the exhibitions room with a stand in which, as well as gifts for the children, we presented an exhibition of the projects underway at Solar Thermoelectric Plants. Also, as in previous years, at Zamudio, we fitted out a children's play area, including an electric train, and a workshop area to allow the youngsters visiting us the opportunity to make a number of hand crafts such as badges, face masks, drawings, etc.

## IN THE SPORTS AREA:

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- **Sponsorship of the FÓRMULA STUDENT BIZKAIA 2011-12 project.** The Formula Student Bizkaia project comprises a group of students from the ETSI (Graduate School of Industrial Engineering) of Bilbao (University of the Basque Country), with the support of the Mechanical Engineering Department, a number of companies from the sector (including Ingeteam), secondary schools and vocational training centres. Its goal is to design and manufacture a single seater racing car in order to take part in Formula Student competitions. This is the first time the team has entered with a full electric motors design, that has been developed by a wide team composed by 60 students

and three teachers of the Bilbao Engineering Politecnical School. They will participate in one of the most important student's competitions. Regarding technics and performance, the prototype includes a three phase motor, 80 kW (109 cv), 4,000 rpm, reaching a maximum speed of 98 km/h in only 5 seconds. The autonomy of the lithium battery pack is around 50 minutes at the competition rhythm.

- **Sponsorship of EXPOELÈCTRIC FORMULA – e 2012 GECAP.** Organised by the Autonomous Government of Catalonia through the Energy Institute of Catalonia (ICAEN), the City Council of Barcelona, The School of



Technical Industrial Engineers of Barcelona (CETIB) and the Provincial Council of Barcelona, EXPOelèctric Fórmula-e 2012, is a pioneering initiative which aims to make the zero emission vehicle known to the public in southern Europe through a set of fun and promotional activities such as those held in September in Barcelona, within the framework of the European Week of Safe and Sustainable Mobility 2012. The aim was to promote energy saving and efficient driving and to consolidate electric vehicles as an urban and interurban alternative.

- **Sponsorship of the 6th AISIATEK Fun Run.** Some time ago, the workers at the companies and techno-

logy centres located in the Bizkaia Technology Park created the Aisiatek Association, for the purpose of strengthening the ties between them, in addition to promoting culture, leisure and sports. As in previous years, their traditional fun run held in May in the Scientific and Technology Park of Zamudio had the support of Ingeteam.

- **Sponsorship of the 7th AISIATEK Golf Championship.** In the same way as the Fun Run, and as for previous years, in 2012 Ingeteam also sponsored the annual golf championship, held in May based on the 18-hole Stableford singles system, at the Artxanda Golf club facilities.



## GRI INDICATORS

### S01 SCOPE OF PRACTICES IN LOCAL COMMUNITIES

Over the last few years, much focus has been on the goal to internationalise Ingeteam, as has recently been seen with the opening in countries such as India, South Africa, Chile, etc. The commercial nature of a number of the new sites has meant that the local production ratio has been reduced.

	2010	2011	2012
Production located in the local community (%)	95.15	71.86	<b>66.52</b>
Total tax contributions (direct and indirect) (€)	79,375,524	78,038,523	<b>65,357,741</b>

### EC6 PRACTICES OF SPENDING ON LOCALLY-BASED SUPPLIERS

The local supply levels established last year were maintained.

	2010	2011	2012
Spending on locally-based suppliers (%)	75.58	42.23	<b>41.20</b>

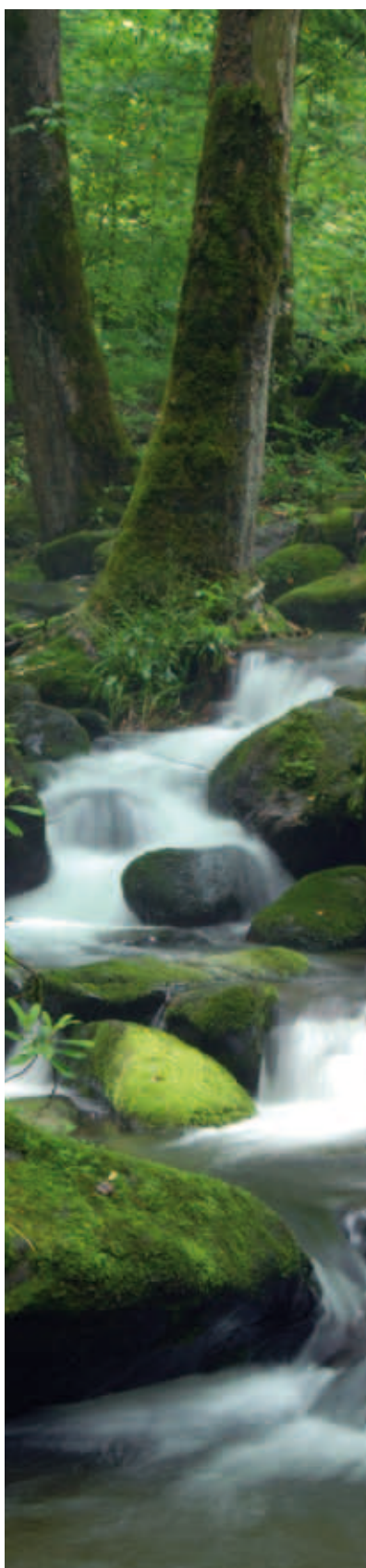
### EC11 FINANCIAL AID RECEIVED FROM GOVERNMENTS

Official aid has fallen as a result of the economic context of these last few years. Although Ingeteam continues to participate in official schemes for technological development.

	2010	2011	2012
Subsidies (€)	5,125,394	3,728,054	<b>2,039,572</b>







## SUMMARY OF THE CORE GRI INDICATORS

GRI CODE	UNIT	2011	2012
<b>EN1</b>	Recycling MSW		
	Paper consumed _____ Kg. per person and year _____	14	14
	Cardboard consumed _____ Kg. per person and year _____	12	15
	Wood consumed _____ Kg. per person and year _____	83	98
	Chemicals consumed _____ Kg. per person and year _____	25	35
<b>EN2</b>	Recycling MSW (paper)		
	Recycled paper _____ % _____	33	15
	Recycled cardboard _____ % _____	12	19
<b>EN3</b>	Direct energy consumption		
	Electricity _____ kWh per person _____	3,870	4,599
	Natural gas _____ kWh per person _____	2,446	3,829
	Gasoil _____ kWh per person _____	396	413
<b>EN6</b>	CO2 emissions avoided as a result of the use of renewable energy equipment produced by Ingeteam over the year		
	M Ton./year _____	4,337	4,125
<b>EN8</b>	Water consumption		
	L per person _____	57	37
<b>EN16</b>	Emissions of greenhouse gases		
	Emissions CO2 (fossil fuels) _____ Ton _____	2,158	3,149
	Emissions CO2 (electricity consumption) _____ Ton _____	5,088	5,672
<b>EN22</b>	Waste		
	Paper _____ Ton _____	39.7	39
	Cardboard _____ Ton _____	99	126
	Plastic _____ Ton _____	31	28
	Wood _____ Ton _____	31	200
	Hazardous waste _____ Ton _____	120	95
	Metals _____ Ton _____	1,625	1,979
	Electrics - Electronics _____ Ton _____	20	16
<b>EN29</b>	Emissions of CO2 for vehicle mobility		
	CO2 from the movement of company vehicles _____ Ton _____	459	624
	CO2 movement of vehicles to and from work _____ Ton _____	3,732	5,378
<b>EN30</b>	Amount in Euros for environmental expenditure and investment		
	€ —	306,770	428,508



GRI CODE	UNIT	2010	2011	2012
<b>LA1</b>	Growth in the workforce			
	Average time worked at the company _____ years	6.52	7.71	<b>8.26</b>
	Net job creation over the year _____ N° jobs	-275	-400	<b>-31.3</b>
	Average age _____ years	35.22	36.93	<b>37.32</b>
<b>LA2</b>	Type of contracts			
	Permanent contracts compared to the total workforce _____ %	77.9	83.87	<b>83.42</b>
	Outsourcing of recruitment through Temp. Emp. Agencies _____ %	0.07	0.08	<b>0.11</b>
	Workers on half-time _____ %	3.02	3.96	<b>6.03</b>
	Workers on flexi-time _____ %	40.93	44.34	<b>37</b>
<b>LA7</b>	Accident rates			
	Work-related accidents with absence from work _____ N°	195	133	<b>123</b>
	Days lost due to accident _____ N° days	3,417	2,154	<b>2,582</b>
	Incident rate (n° of work-related accidents with absence from work per 100 workers) _____	5.57	4.63	<b>4.2</b>
	Frequency rate _____	31.96	25.48	<b>24.5</b>
	Severity rate _____	0.56	0.41	<b>0.51</b>
<b>LA10</b>	Training			
	Training hours per year per person _____ H	32	26	<b>26</b>
	Cost of training per year per person _____ €	243	375	<b>222</b>
<b>LA13</b>	Diversity and equal opportunities			
	<b>GENDER EQUALITY</b>			
	Women compared to the average workforce _____ %	16.63	18.44	<b>18.56</b>
	Men compared to the average workforce _____ %	83.36	81.54	<b>81.44</b>
	Women with a permanent contract _____ %	72.7	76	<b>78</b>
	Men with a permanent contract _____ %	71.3	74.5	<b>76</b>
	Women on governing bodies within the company _____ %	11.43	14.02	<b>13</b>
	Men on governing bodies within the company _____ %	88.57	85.98	<b>87</b>
	<b>INTEGRATION OF THE DISABLED</b>			
	Indirect recruitment of the disabled _____ %	4.24	2.23	<b>2.23</b>
	Direct recruitment of the disabled _____ %	0.53	0.35	<b>0.39</b>
	Companies with disabled-friendly facilities _____ %	77.5	83.63	<b>91</b>
<b>S01</b>	Scope of practices on local communities			
	Production located in the local community _____ %	95.15	71.86	<b>66.52</b>
	Total tax contributions (direct and indirect) _____ %	79,375,524	78,038,523	<b>65,357,741</b>
<b>EC6</b>	Practices of spending on locally-based suppliers			
	_____ %	75.58	42.23	<b>41.20</b>
<b>EC11</b>	Financial aid received from governments			
	_____ €	5,125,394	3,728,054	<b>2,039,572</b>

## Ingeteam in relation to the Ten Principles of the Global Compact



Although our energy business unit had already been actively involved in the United Nations Global Compact for a number of years, it was only this year that, as a business Group, we signed the Global Compact and undertook to give a detailed report of all our actions in line with the Ten inspiring Principles of this important initiative. The aim of the Global Compact is to standardise and extend the criteria governing best practices that provide sustainable development in the life of each and every company, based on a professional code of ethics which is also promoted by Corporate Social Responsibility.



Each year, Ingeteam not only reports on its progress with total transparency, but even goes one step further, to incorporate a Code of Conduct that encompasses, summarises and organises our procedures in any of the scenarios in which we operate, and also with regard to our daily relations with all groups of interest: including our stakeholders, public authorities and institutions and our suppliers, customers and competitors.

This is unquestionably an extremely useful tool in our endeavour to clearly and precisely adapt the business ethics guidelines to each and every circumstance and occasion and to each and every person or group.

However, whilst we are using our Code, we shall continue to make every effort to apply and extend the Principles of the Global Compact to all levels, by incorporating such principles into the daily life of our company. We shall endeavour to convert these principles into tangible progress which, year after year, gives the measure of our ever-increasing involvement and commitment. In 2012, this progress is summarised in the following tables (prepared in line with the Ten Principles, which are also indicated and which, in turn, are based on the Universal Declarations and Conventions applied to four areas: Human Rights; Labour Standards; the Environment; and Anti-corruption).

# Human Rights

## **Principle 1** BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS, WITHIN THEIR AREA OF INFLUENCE.

- In the face of the current difficult economic climate in which it is not possible to promote the net creation of jobs, we are directing our efforts at maintaining our workforce. We are improving the quality of recruitment by increasing the proportion of permanent contracts, facilitating part-time work and promoting flexi-time.
- Based on our Strategic Plan, with regard to the OHS functional area, we regularly conduct awareness-raising campaigns and a variety of information initiatives (such as our “Safe Zone” campaigns or the recent scheme to “Train at your workstation for the benefit of your health”).
- We have defined a new preventive organisation chart by creating our own Prevention Service, additionally assuming two preventive specialities: occupational safety and ergonomics and applied psycho-sociology.
- We have strengthened our Safety Inspection Plan through the establishment of a Safety Inspection Plan by our Own Prevention Service, parallel to the Plans of the Production Units.
- We have acquired defibrillators and workwear with a flameproof protection rating for use in the Production Units.
- We have reviewed the specific procedures of the Integrated Management System, the emergency plans, in addition to the Occupational Health and Safety Plan and annexes, for the review of its procedural content.
- At a preventive level, we are coordinating a number of Group companies operating abroad: in Poland, Chile, Mexico, in addition to our services unit in the USA.
- We are optimising procedures in order to maintain the number of hours dedicated to training and the quality of that training.

## **Principle 2** BUSINESSES MUST MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES.

- We have no record of activities of this type given the fact that, when carrying out our work, we are not involved in any circumstances of this nature..

# Labour Standards

## **Principle 3** BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING.

- Our workers are covered by the appropriate sector-level collective agreements, complemented by company-specific agreements, negotiated with the workers’ representatives at the various work centres.

## **Principle 4** BUSINESSES SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

- There are no cases of this type within our organisation, or in the groups of interest we have dealings with. However, in this respect, we are ever watchful.

## **Principle 5** BUSINESSES MUST SUPPORT THE ABOLITION OF CHILD LABOUR

- We have no record of activities of this type given the fact that, when carrying out our work, we are not involved in any circumstances of this nature.
- We are sponsoring, through donations, a number of non-profit entities strongly oriented towards the social and healthcare areas, operating indistinctly in Spain and abroad, concerned with providing attention, training, healthcare and the development of children with some physical or mental disability, or at risk of social exclusion.

**Principle 6** BUSINESSES MUST SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION.

- We have promoted the presence of women not only in relation to the average workforce, but also on our boards of directors.
- We are continuing with the work already initiated in the past, to adapt our facilities in order to make them disabled-friendly.
- We have promoted the direct and indirect recruitment of disabled persons.

## The Environment

**Principle 7** BUSINESSES MUST MAINTAIN A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES.

- We have significantly increased the investments dedicated to environmental sustainability, despite the difficult current economic climate.

**Principle 8** BUSINESSES MUST UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY.

- We are optimising consumption through the rational use of paper, cardboard, wood and chemicals.
- We are considerably reducing water consumption, thanks to the work to locate and correct leaks. Furthermore, the corrective action undertaken for the test bench water cooling system has prevented unnecessary consumption.
- The nature of some of the work conducted at our customers' facilities has not enabled us to manage all the recycling of the wood, which has been treated as waste. In all, we have reduced hazardous waste whilst we have also made other significant reductions such as in plastic and electrical waste.

**Principle 9** BUSINESSES MUST ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.

- Each year we are preventing the emission of a considerable amount of greenhouse gases through the production of generating equipment for renewable energy plants: wind power; photovoltaic; and hydropower.
- We have systematised the application of some of these new measurement criteria up to the point that it is possible to specify, for example, with regard to recycling, separate data for paper and cardboard.
- We have also now included the data provided by our foreign subsidiaries in the direct energy consumption calculation.

## Anti-corruption

**Principle 10** BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS INCLUDING EXTORTION AND BRIBERY.

- We have no record of activities of this type.



