

Global Compact Communication on Progress

1. Corporate Responsibility report 2005

In 2005, Indra presents its third Corporate Responsibility Report, which focuses on the value of talent, since our Vision of Responsibility is based on the people that manage our knowledge to innovate. Shareholders, customers, employees, suppliers, knowledge institutions, society at large, the communities in which we do business and the environment, defined as our strategic stakeholders, far from being anonymous, are talented people through whom we generate value. The Corporate Responsibility report is therefore illustrated by examples of persons who have created value in this way.

In line with the continuous improvement in our corporate responsibility and public accountability, the Corporate Responsibility report has been declared in accordance to GRI and reasonably reflects the company's financial, environmental and social actions, having also been verified by external experts.

Indra is convinced that our success depends both on the company's technological capabilities and on the capacity of our professionals to act in accordance with principles that reflect the basic values on which our corporate culture has been built. For practical purposes, Indra has identified the following specific attitudes and conduct that it expects all the company's professionals to observe in their daily activities:

- Customer satisfaction
- Excellence
- Human capital development
- Integrity
- Innovation
- Profitability

A set of compulsory rules has been defined to encourage these values and reflect the company's expectations. These rules form part of our Code of Professional Conduct and are split into three conduct related areas: work, resources and the business environment. The Corporate Responsibility Master Plan regards the Code of Conduct as one of Indra's most valuable corporate initiatives.

In 2005, the Corporate Responsibility Master Plan was reviewed in order to verify compliance with objectives, define new indicators and drive new value-related policies and actions in 2006. One of the key aspects of our responsibility is the improvement of communication channels with stakeholders, an objective that we will continue to pursue in coming years.

2. Chairman's letter

Indra's Vision of Responsibility of being an innovative, knowledge-based company in our relations with our internal and external stakeholders, as well as with the institutions that develop knowledge and the communities in which we operate, has materialised in a decisive impulse in 2005 following the continuous endeavour of past few years that we have duly accounted for in our previous responsibility reports.

In line with our continuous improvements in terms of corporate responsibility and public accountability, Corporate Responsibility Report has been prepared in accordance with the 2002 GRI Guidelines. It represents a balanced and reasonable presentation of our organization's economic, environmental and social performance and has been verified externally.

As Corporate Responsibility Report shows, Indra is making progress in the implementation of the principles established by the UN Global Compact.

Javier Monzón
Chairman

3. Practical actions

Principles	Commitment	Corporate Responsibility Report 2005	GRI indicator
Human Rights		Page	
1. Business should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	Indra's efforts are geared towards respect for different cultures and human rights as well as instilling these values in their employees to create a pleasant working environment. Indra acknowledges its responsibility by virtue of the Universal Declaration of Human Rights to promote and protect human rights in our business operations and we have a Diversity Policy. We urge all our suppliers to adopt a similar approach.	9, 14, 15, 21-28, 35, 36, 46-51, 53, 58, 59	HR1, HR2, HR3, HR4
2. Business should ensure that it is not complicit in human rights abuses.		9, 14, 15, 21-28, 35, 36, 53, 58	HR2, HR3
Labour			
3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Indra's business activities are based on the innovation and talent of its employees. These are the people who are responsible for research, learning, teaching and, in short, innovating in terms of solutions, services, methodologies and ways of thinking. Indra therefore equates its success with its employees, and sees it as an obligation to value their employees without judging or discriminating against them in any way with regard to their nationality, race, religion,	21-25, 53, 58, 59	HR5, LA3, LA4

4. Business should uphold the elimination of all forms of forced and compulsory labour.	sex, sexual orientation, marital status, political views, disability, social background or any other factor. Indra is committed to and upholds diversity, because the company sees it as a driving force for innovation, both in terms of the internal management of its resources and the generation of services, and therefore as a vehicle for achieving corporate goals. Indra applies this same approach to diversity in its recruitment procedures as well as in assessing, remunerating and promoting its employees.	52, 59	HR7
5. Business should support the effective abolition of child labour.	At the same time, Indra is aware that this diversity policy should not only ensure equal opportunities for all its employees but also uphold their dignity and rights in their jobs on a daily basis. For this reason, Indra's efforts are geared towards respect for different cultures and human rights as well as instilling these values in their employees to create a pleasant working environment that enables people to develop all their talents and skills.	52, 59	HR6
6. Business should eliminate discrimination in respect of employment and occupation.	To make this policy a reality, Indra recognises the following rights of its employees: <ul style="list-style-type: none"> • Health and safety in every operation and installation • Freedom to join trade unions. • The right to fair pay in line with the job market. • Equality of opportunity. • Training. • Respect for diversity 	9-16, 27, 53, 58, 59	HR4, LA10, LA11
Enviroment			
7. Business should support a precautionary approach to environmental challenges.	Although Indra does not carry on any highly polluting activities, we are firmly committed to the environment, as reflected by our environmental policy and by the conviction that high-tech services can make an	14, 15, 38, 39, 41, 53, 55	3.13

8. Business should undertake initiatives to promote greater environmental responsibility.	effective contribution to environmental improvement. Indra has prepared and implemented an Environmental Management System based on the UNE-EN ISO 14001 standard and on EU Regulations 761/2001 on Eco-management and Eco-audit (EMAS), at our Arroyo de la Vega site and, in 2005, at another two sites in Torrejón de Ardoz and San Fernando de Henares (Madrid). Our medium-term objective is to roll out compliance to the rest of the company's sites.	10-15, 35, 36, 40, 47, 53, 55-57	EN1 a EN16, 1.1
9. Business should encourage the development and diffusion of environmentally friendly technologies.		35, 36, 40, 56	EN17
Corruption			
10. Business should work against corruption in all its forms, including extortion and bribery.	To foster Indra's values, the company has established some essential rules, which define the company's expectations with regard to the conduct of its employees. These guidelines form part of the company's Professional Code of Conduct, which encompasses three areas: Work-related conduct, resource-related conduct, and conduct relating to the business environment	9, 53, 59	SO2