



SUSTAINABILITY
REPORT

2013



Ingeteam

INDEX

SUSTAINABILITY REPORT 2013

Letter from Mr Javier Ojeda, the Ingeteam C.E.O. _____	04
Introduction _____	06
Sustainability report _____	08
• Mission, vision and values _____	10
• Our commitment to the environment _____	13
• Our Occupational Health & Safety Policy _____	16
• Our team of staff _____	20
• Our support for the community _____	24
• Gri Indicators _____	30
Principles of the Global Compact _____	32

Letter from the
Ingeteam
C.E.O.

D. JAVIER OJEDA



After joining the Global Compact in 2012, Ingeteam's efforts towards achieving greater sustainability have taken their expected course throughout this year, a year which is noted for the consolidation of our international expansion process, achieved with the help and dedication of all our team of staff. Today, we're present in increasingly distant places, yet, in all these places we still continue to apply not only our business model (based on value creation) but also our policies regarding human resource management, occupational health and safety, environmental protection, support for the development of local communities and transparency, communication and collaboration with our stakeholders.

Right from the outset, our way of operating has always taken account of Corporate Social Responsibility, and this has been, and will always be part of our organisation's growth. What's more, when we grow, we grow together with CSR and thanks to it.

In the course of 2013, our international structure expanded with the opening of new subsidiaries in countries such as Australia and India. Our current international presence requires us to pay constant attention to the new and different circumstances affecting the Corporate Social Responsibility of our company at its different locations.

Technological innovation, which is another of the pillars of support for Ingeteam's activity, continues to provide technical solutions which contribute to the environmental and energy sustainability of the planet. Each new Ingeteam design seeks to optimise the use of energy, in addition to ensuring maximum accuracy in the control of the processes in which these new products are applied.

But, to look beyond the financial results obtained, unquestionably the sum of our efforts has been worthwhile, particularly in the corporate and environmental areas. By way of example, we've considerably reduced our accident rates, we've doubled the number of training hours provided to our personnel, we've monitored environmental pollution and reduced greenhouse gas emissions by 20%, whilst we've achieved greater participation in technological development schemes and in our R&D activities.

These excellent results, taken as a whole, are encouraging us to be even more optimistic, if at all possible, by setting new challenges for the future, which we already consider to be the immediate present.

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, representing the name Javier Ojeda.

Javier Ojeda
C.E.O.

Introducción

“What matters in this world is
not where we are, but where
we’re heading”

(Oliver Wendell Holmes)



Even so, our 2013 Sustainability Report aims to give a clear response to both questions and gives support to the second question by providing specific, accurate information which relates to the demands of society as a whole with regard to Ingeteam.



The report compiles the actions, results and commitments of our organisation with regard to sustainability, and its scope of application includes all our activities, at a local and international level alike. It aims to provide detailed information to our stakeholders and to continue to report, for the sixth consecutive year, according to the G3 standard of the Global Reporting Initiative (GRI).

In the course of 2013 we continued to strengthen our international expansion process, leading to some recent changes in the Group's organisational structure, whilst still maintaining our management model. These changes focus on fully developing the skills and capacities of our excellent team of staff (for example by doubling the number of hours dedicated to training, or our ongoing

efforts to reduce the accident rate, whilst endeavouring to consolidate our health and safety culture and ensure that this is extended to all the geographical locations in which we operate). Likewise, we also aim to reduce as far as possible the impact of our activities on the environment through our policies to optimise the consumption of materials and to save natural resources. Our company is firmly set on minimising pollution and safeguarding the natural environment in any or the increasingly distant places in which we operate. In all these places, we also endeavour to offer our support to the various local communities by promoting social progress through a number of well-studied supportive patronage and sponsorship actions.



SUSTAINABILITY REPORT

“Our respect for the
environment is what
sets us apart”

Contents:

Mission, vision and values
Environmental commitment
Our Occupational Risk Prevention Policy
Our team of staff
Our support for the community
GRI indicators
Principles of the Global Compact

Mission, vision and values

“There is a driving force
more powerful than steam,
electricity and atomic
energy: the will.”
(Albert Einstein)



OUR MISSION

“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”.



OUR VISION

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

OUR VALUES

“We work proactively, having taken on board the need to make a daily effort to improve the quality of our actions, examining the solutions and acknowledging the results with integrity. Since, based on our personal and corporate honesty, we promote fair treatment, mutual trust and respect, and all the potential that diversity also offers our organisation. We are concerned for the well-being of everyone whilst also endeavouring to move towards sustainable growth, thereby reconciling the principles of CSR. The impact of this policy is disseminated within our Group through clear, effective communications, primarily directed at our stakeholders”.

Sustainability report

“Maturity begins to grow
when you can sense that
your concern for
others outweighs your
concern for yourself.”
(Albert Einstein)



Committed to perfecting an increasingly sustainable business model, we are applying the principles of Social Responsibility to the different levels of our organisation. Since we aspire to create value, by showing our concern for the well-being of people and their environment. And, logically, we have started by looking after our Human Resources, given the fact that our present and future successes are dependent on our Team of Staff.

In this respect, our human resources management policy has a two-fold purpose: on the one hand to promote length of service, in addition to basic aspects such as equality, diversity, training and the reconciliation of work and family life. On the other hand, given the recent changes in our corporate structure, we aim to consolidate the culture of health and safety, extending it to those places where we operate internationally. However, we are also seeking to strengthen our environmental commitment strategy through management policies that seek to achieve energy efficiency in any of the geographical contexts in which we are operating.

With this aim in mind, we always give priority to the efficient use of natural resources, the optimisation of the treatment of waste and endeavour to reduce pollution as much as possible.

Environmental commitment

“Thinking that nature speaks
whilst the human race doesn’t
listen produces an immense
sadness”. (Víctor Hugo)

However, Ingeteam does listen to nature. And we do so respectfully. As we are convinced of the benefit obtained from preserving the natural environment, for example by reducing the emission of greenhouse gases or the generation of hazardous waste, which is always in the interest of nature, the community and our organisation as a whole.

We are therefore making a daily effort to reconcile the Group’s legitimate economic and company interests with environmental awareness, in the knowledge that we also have a responsibility towards future generations.

In the course of 2013, in which our activities have been directed at promoting our international strategy and opening new subsidiaries and production plants, it’s now time to give due thought to the results of our efforts, which have included optimising the consumption of materials such as paper and cardboard, by reducing use whilst increasing the purchase of recycled paper and cardboard, and curbing the consumption of water and energy. All these measures have shown, to a varying degree, the results of our drive to reduce consumption.

All in all, our best record was obtained from the replacement of a number of items of old equipment. Thanks to this measure, we have reduced the greenhouse gas emissions by almost 20%, to a figure which is well below the 3,000 Tons of fossil fuel emitted in previous years. Likewise, we would also highlight the progress made in reducing waste such as cardboard (with a reduction of more than 50% compared to 2012). Specific mention should also be made of the reduction in hazardous waste and electrical - electronic waste, also as a result of the renewal of old equipment.

We would positively rate these figures given the fact that, although obtained in a context of a reduction in investments in 2013, they do reflect the increased efficiency of the facilities as a result of the considerable investments made in previous years.

GRI INDICATORS

EN1 RECYCLING OF MSW

In the course of this year, the consumption of paper and cardboard has been optimised. Furthermore, some companies purchased these materials in 2012 and still had sufficient stock in 2013. The increase in the amount of chemicals consumed is due to the fact that we have started to use a new resin in the electric machine manufacturing process, involving a greater consumption of chemicals.

	2011	2012	2013
Paper consumed _____ Kg. per person and year _____	14.44	14.56	8
Cardboard consumed _____ Kg. per person and year _____	11.82	15.63	10
Wood consumed _____ Kg. per person and year _____	83.33	98.96	112
Chemicals consumed _____ Kg. per person and year _____	25.09	35.24	51

EN2 RECYCLING OF MSW (PAPER)

The figures for this year show an increase in the purchase of recycled cardboard and paper. Therefore, although there has been a drop in our consumption of paper and cardboard, we have consumed more recycled material, thereby improving process sustainability.

	2011	2012	2013
Paper recycled _____ 32.89 % _____	15.64 %	27 %	
Cardboard recycled _____ 12.51 % _____	19.64 %	44 %	

EN3 DIRECT ENERGY CONSUMPTION

There has been little variation to consumption in relation to 2012, due to the year on year similarities in the production of the business units.

	2011	2012	2013
Electricity _____ kWh per person _____	3,870	4,599	4,782
Natural gas _____ kWh per person _____	2,444	3,829	3,871
Gasoil _____ kWh per person _____	396	413	425

EN6 CO₂ EMISSIONS AVOIDED THROUGH THE USE OF THE RENEWABLE ENERGY SYSTEMS PRODUCED BY INGE-TEAM IN THE COURSE OF THE YEAR

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

	2011	2012	2013
CO ₂ emissions avoided per year _____ MTn _____	4,337	4,125	3,818

EN8 WATER CONSUMPTION

In the course of the year, despite having opened new subsidiaries and production plants, our water consumption has remained sustainable.

	2011	2012	2013
Litres of water consumed _____ by person and day _____	57	37.5	38

EN16 GREENHOUSE GAS EMISSIONS

The emission of tons of CO² from fossil fuels has been reduced due to the replacement of some items of old machinery, whilst the figures for electricity consumption are very similar to those for 2012.

	2011	2012	2013
Tons of CO ² (from fossil fuels) _____	3,149	3,149	2,575
Tons of CO ² (from electricity consumption) _____	5,672	5,672	5,835

EN22 WASTE

We would highlight the drop in the consumption of cardboard by more than 50% compared to 2012, and the reduction in hazardous waste. On the other hand, a number of companies have scrapped old equipment, and for this reason the electrical - electronic waste has increased.

	2011	2012	2013
Paper _____ Tn _____	39.7	39	38
Cardboard _____ Tn _____	99	126	53
Plastic _____ Tn _____	31	28	30
Wood _____ Tn _____	31	200	263
Hazardous waste _____ Tn _____	120	95	63
Metals _____ Tn _____	1,625	1,979	2,281
Electrics - electronics _____ Tn _____	20	16	24

EN29 CO² EMISSIONS FROM VEHICLE MOVEMENT

Based on the international strategy established, the company's sales efforts have doubled, leading to an increase in the quantities of CO² coming from company vehicles. Furthermore, the company, which is dedicated to the maintenance of renewable plants, has increased its services throughout the world.

	2011	2012	2013
CO ² in Tn. coming from company vehicle movement _____	459	624	1,063
CO ² in Tn. coming from vehicle movement to and from work _____	3,732	5,378	4,665

EN30 AMOUNT IN EUROS FOR ENVIRONMENTAL EXPENDITURE AND INVESTMENT

This year has seen a reduction in environmental investment, as we have put our efforts into making more efficient use of the equipment already available, resulting from previous investments.

	2011	2012	2013
Environmental expenditure and investment _____	306,770.14	428,508	174,421

One step further in our Occupational Risk Prevention Policy

Within the context of our international expansion, with regard to the recent changes in the Group's organisational structure, we would highlight the drop in our accident rates in 2013. Although this figure is unquestionably important, it is a continuation of a progressive trend which started a few years ago as a result of our efforts to strengthen Occupational Risk Prevention, whilst also extending this policy to our international operations.



Today our efforts in this area are directed at establishing standardised risk prevention procedures for all our employees in any of the countries in which we are operating. And, along these lines, in 2013 we have achieved the following:

- Preparation of the International SOS travel assistance procedure, applicable throughout the world.
- Comparative analyses of the legislation in a number of countries with regard to risk prevention.
- Study of the advisability of including preventive clauses in our standard corporate model for sales quotes.

Ingeteam continues to consider the promotion of health as a priority when carrying out our activities.

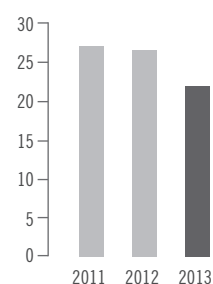


Within this section, we have extended the benefits for our employees:

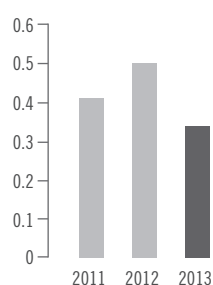
- Improvements in medical examinations and group programs to promote general health and to help reduce absence from work.
- Improvement of the analyses, that accompany health examinations, through the definition of the lipid profile, iron profile, tumour indicators, body mass index (BMI), etc.
- Given the increased importance of our international activities, vaccination, by integration in the Biological Agents Protocol and in Trips Abroad.

Currently, we have achieved a great deal of objectives with the simultaneous purpose of prevent Labor Risks and promote our employees' health.

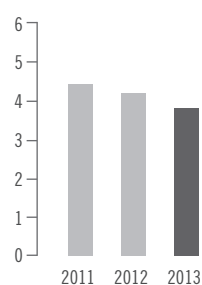
Frequency rate



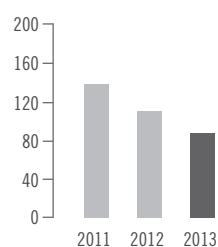
Severity rate



Incidence rate



Work-related accidents with absence from work



Total working days lost



The sum of these advances, taken as a whole, is therefore consolidated in a prevention culture which is increasingly more deep rooted within our organisation.

The majority of these advances come within two areas

of work: on the one hand the ongoing application of best practices; on the other hand, the standardisation, monitoring and control of these practices by means of the accreditation obtained through the mandatory certification and standardisation processes. In 2013 we would highlight the following:

IMPROVEMENTS AND NEW INITIATIVES	OFFICIAL APPROVALS AND CERTIFICATIONS
Formation of the Joint Prevention Service for companies: Indar Electric, S.L. and Indar Máquinas Hidráulicas, S.L.	Approval of the electric arc and anti-static changing rooms and adaptation of the electrical hazard procedures to the new electrical safety requirements.
Strengthening of the musculoskeletal campaign, through procedures and methodologies to assess ergonomic risks at Ingeteam Power Technology, S.A.	Standardisation of training activities in occupational risk prevention at Ingeteam Power Technology, S.A.
Creation of a working party dedicated to the implementation of corrective actions related to over-exertion and the hiring of a physiotherapist and expert in ergonomics for this project.	Maintenance and re-certification of the occupational health and safety management systems OHSAS 18001:2007.
Installation of an enclosure and implementation of a safety locking system on the Trapaga test bench at the work centre of Ingeteam Power Technology, S.A. (Traction).	Certification to the OSHAS 18001:2007 standard for the Madrid branch of Pine Instalaciones y Montajes, S.A.
Presentation by Ingeteam Power Technology, S.A. on Occupational Health and Safety during the Safety Workshop organised by Endesa Generación Hydropower Production Unit (UPH) South.	The own prevention service at Ingeteam Power Technology, S.A successfully passed the legal audit and obtained the mandatory certificate.
Construction of a new, approved simulator for work with an elevator, emergency descender and vertical work on the wind turbine, for training personnel in occupational risk prevention at Ingeteam Service, S.A.	Certification by the Spanish Association of Companies performing Vertical Work (ANETVA) of Ingeteam Service, S.A. to give training in vertical work.
Drop in the accident rates and incidents in the safety controls at the Ingeteam Service, S.A. subsidiaries in Mexico, Poland, Italy and Chile.	Implementation of the occupational health and safety management system based on OHSAS 18001:2007 and certification of the PV test benches based on an OHSAS and of Ingeteam Inc.

As the organisational structure which manages our occupational risk prevention, we undertake to comply with the short and medium term objectives, based on our business strategy and with the legislation in force in the countries in which we operate, as listed below:

OBJECTIVES:

- Consolidation of our own and joint prevention services existing within the organisation.
- Implementation of the integrated occupational health

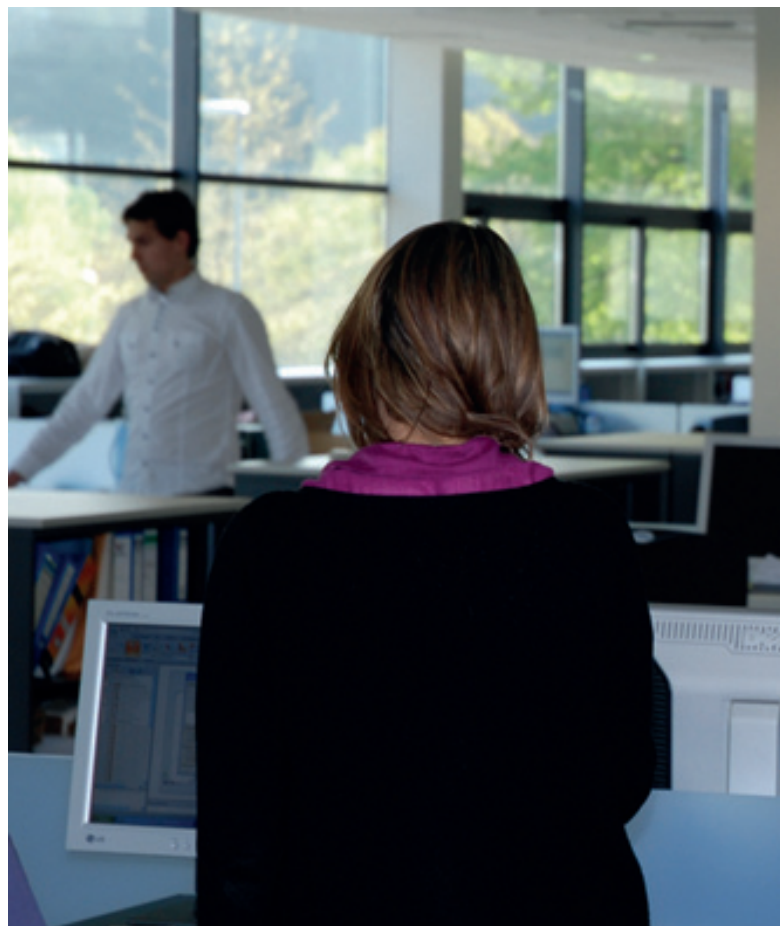
and safety management in the company's subsidiaries.

- Monitoring of legal compliance with occupational risk prevention regulations for the Group's subsidiaries.
- Review and improvement of the accident rate indicator management process and monitoring of prevention activities.
- Approval and implementation of the prevention clauses in standard sales quote models.
- Ongoing efforts to integrate safety inspections at an inter-departmental, national and international level.
- Certification of the personal protective equipment based on the risks and regulations in use in those countries in which we are present.



Our team

WE ARE DOUBLING THE
NUMBER OF HOURS
DEDICATED TO THE TRAINING
OF ALL OUR TEAM



Around 3000 qualified experts in different places around the world, working on projects that are part of the new energy model and also collaborating in the development of their local communities, represent considerable potential: this is Ingeteam's team.

Their efforts deserve our recognition and we should endeavour to help improve their professional skills and to adequately reconcile work and family life.

At present, despite the difficult global economic context, the Group's management values the involvement and commitment of all its employees to Ingeteam's business project.



With regard to the parameters relating to this team of staff, the length of service at Ingeteam is gradually increasing: the mean time worked and the age of our employees. Furthermore, the hiring of women workers and the type of contract have recorded slight variations over the last few years. However, in 2013, there has been an increase in workers on flexi time in some companies due to recent organisational changes within the Group.

On the other hand, mention should be made of the support for diversity and equal opportunities within the Team. In the course of the year we have increased the direct and indirect recruitment of persons with either a physical or sensory disability.

However, the most important factor with regard to the management of our human resources in 2013 unquestionably corresponds to training. Given the fact that, as well as continuing to optimise the expenses dedicated to promoting internal training, we have doubled the number of training hours per year and per person, reaching the figure of 156,796 hours for the whole of the Group's companies.

GRI INDICATORS

LA1 EVOLUTION OF THE WORKFORCE

The average age of our employees and the average time spent working at the company are increasing progressively. Even in the midst its difficulties, Ingeteam is seeking a stable workforce in order to be in a position to address more positive periods.

			2011	2012	2013
Average time spent working at the company	_____ years	_____	7.71	8.26	8.77
Net job creation in the course of the year	_____ n° jobs	_____	-400	-31.3	-51.03
Average age	_____ years	_____	36.93	37.32	37.97

LA2 CONTRACT TYPE

Ingeteam is continuing with the trend to maintain permanent contracts and to keep outsourcing to a minimum.

			2011	2012	2013
Permanent contracts in relation to the total workforce	_____ %	_____	83.87	83.42	83.71
Outsourcing of recruitment through TEA's	_____ %	_____	0.08	0.11	0.03

ACCESS TO MEASURES TO RECONCILE WORK AND FAMILY LIFE

There has been an increase in the number of workers on flexi time due to the organisational changes in some of the Group's companies.

			2011	2012	2013
Part-time workers	_____ %	_____	3.96	6.03	4.56
Flexi-time workers	_____ %	_____	44.34	37	43.39

LA10 TRAINING

The number of hours of training per year and per person has been doubled, reaching 156,796 hours dedicated to this activity in the group as a whole. Furthermore, we are continuing to optimise costs by encouraging in-house training.

			2011	2012	2013
Training hours per year per person	_____ h	_____	26	26	53.54
Cost of training per year per person	_____ €	_____	375	222	196

*In 2013, a total of 156,796 training hours were given

LA13 DIVERSITY AND EQUAL OPPORTUNITIES

The sustained gender equality over time, continues to be maintained at Ingeteam. The recruitment of women and the type of contracts has scarcely varied in relation to the last few years.

GENDER EQUALITY

		2011	2012	2013
Women in relation to the average workforce	_____ % _____	18.46	18.56	17.85
Men in relation to the average workforce	_____ % _____	81.54	81.44	82.34
Women with a permanent contract	_____ % _____	76	78	83.25
Men with a permanent contract	_____ % _____	74.5	76	82.17
Women on governing bodies in the company	_____ % _____	14.02	13	8.3
Men on governing bodies in the company	_____ % _____	85.98	87	91.66

INTEGRATION OF THE DISABLED

There has been an increase in the number of direct and indirect contracts for the disabled. Those companies with disabled-friendly facilities remain the same, however the opening of new international offices in which it has not yet been possible to carry out the necessary alterations has meant that the figure is lower than for the previous year.

		2011	2012	2013
Indirect recruitment of the disabled	_____ % _____	2.23	2.32	3.72
Direct recruitment of the disabled	_____ % _____	0.35	0.39	0.45
Companies with disabled-friendly facilities	_____ % _____	83.63	91	81



Ingeteam, supporting the community

In any of the scenarios in which we operate, we endeavour to give our support to the local community.

Ingeteam promotes social progress in the communities by interacting with them through supportive patronage and sponsorship actions, either to contribute to their full development or to help alleviate some of their most pressing needs.



In this way, in the course of 2013, we promoted the following projects:

IN THE TECHNICAL AREA

- **6th Edition of Cleantech Forum Europe 2013**
Innobasque: held in Bilbao in April, this European technology forum, considered to be the most important event of these characteristics and offered for the first time in a city in southern Europe, was organised by Innobasque, the Basque Agency for Innovation, and the North American company CleanTech Group.
- **Tecnalia 2013:** through the study of specific applications and the direct distribution of top-of-the-range products, this foundation with which we



collaborate in a number of ways seeks to innovate in technological solutions for a number of industrial sectors. An example of this is the technical Journalism Award, which contributes to the dissemination of technical articles.

- **My smart city / Geocyl 2013:** the project entitled “A Twizy, a month, a tour of Spain”, is a proposal for the dissemination of sustainable mobility by organisations involved in the development of electric vehicles, sustainability and eco-mobility.
- **ForoTech 2013:** the university of Deusto and a group of companies, represented by the IK4 Technology Alliance, organised the 1st Week of Engineering and Technology, ForoTech 2013, in March, in a number of university buildings. The sessions included conferences, debates, a technology exposition and a number of activities such as entrepreneur breakfasts, workshops and visits to laboratories.
- **International Seminar “Electricity Distribution Networks of the Future:** Technological development, Implementation and Internationalisation”. Organised by the Chair for Energy of Orkestra - Basque Institute of Competitiveness, this important event was held in Bilbao on the 7th and 8th November. In the 4th Session, Mr Javier Ojeda, the Ingeteam C.E.O. took the floor and presented the company’s experience with regard to the integration in the global value chain and the internationalisation of the electrical capital goods sector.

IN THE SOCIAL AREA

- **9th Forum of Employment and Entrepreneurship organised by the University of Deusto:** held on the 2nd and 3rd April on the Bilbao Campus. This forum aims to facilitate interaction between companies and the University of Deusto, of which the Deusto Entrepreneurship Center is part of and with which we collaborated in a stand which was visited by a great number of students.

- **Armeria Eskola 2013:** this centre, created by a municipal initiative to support the industrial development of Eibar, started its teaching by maintaining a close relationship with the arms industries.

Today the school operates as a Public Advanced Specific Occupational Training Institute, specialising in the areas of precision mechanics, electricity-electronics, design and quality management.

- **AFIM foundation:** this private charity and welfare foundation promotes activities for the guidance, training and work placement of the mentally ill and people with some kind of disability. It maintains a youth support program, granting up to 50,000 free scholarships for online training of Spanish-speaking students throughout the world.
- **Musical Association of Engineers 2013-14:** 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.
- **Euskaren Kontseilua 2013:** the mission of this platform of associations consists in promoting the standardisation process of the Basque language within the Basque territorial area. Through our donations, we are contributing to covering the cost of its good work in favour of the Basque language.



- **Bilbao Engineering School Foundation:** together with other companies and related entities, we are helping to finance the Ingenia Awards granted each year by this institution. The awards are directed at recognising the professional and human work of people, working parties, companies and institutions related to engineering.
- **Symphony Orchestra of the Basque Country:** as in previous years, we have maintained our sponsorship of the Symphony Orchestra of the Basque Country, in its noble endeavour to bring music closer to the general public. Our support serves to confirm our commitment to promote cultures as a fundamental asset for society.
- **Support for research into malaria in Thailand:** through the donation of material and equipment to the Shokolo Malaria Research Unit, specifically a photovoltaic inverter which has reduced fuel consumption at the facilities, leading to cost savings estimated at 4,500 Euros per year. In 2010, this Research Unit treated



more than 15,000 cases of malaria and vaccinated more than 10,000 children.

- **Mandela Day:** in tribute to the 67 years in which this South African leader dedicated his life to humanity, the foundation named after him proposed dedicating 67 minutes of our time to helping others that day, jointly helping to stimulate a great social change. From amongst the many different suggestions recommended by this foundation, Ingeteam chose to donate furniture, toys and clothing to an orphanage for babies with HIV positive parents.
- **Spanish Network for the Global Compact:** as members and signatories of this platform, one of the first at an international level and the Local Network with the greatest number of signatories, we contributed with a donation to support its activities in 2013.
- **Choroideremia Association (AAC):** choroideremia is a hereditary eye disorder affecting both eyes and which starts during the initial decades of life. In 2013 we made a donation to this association and our employees organised a charity concert to raise funds to support scientific research programs into this disorder.
- **Christmas activities:** this year, a number of Ingeteam companies decided to dedicate the amount allocated for Christmas activities to associations for social support and advancement, such as Caritas. They also continued to collaborate with associations focussed on improving the lives of homeless children.

Also, during the Christmas period, the company collaborated by collecting food for the Food Bank.

IN THE SPORTS AREA

- **Aisiatek:** the purpose of the Aisiatek Association is to strengthen the ties between the people working at the Technology Parks in the Basque Country, the Universities and surrounding area, in order to promote culture, leisure and sport. Ingeteam continues to promote some of the most significant events of this association: the Aisiatek 2013 Fun Race and the 8th Aisiatek Golf Tournament, in addition to the participation of Ingeteam in the Open Days of the Technology Park of Bizkaia and Alava.
- **Formula StudentBizkaia 2013-14 Euskoiker:** for the second year running, we have been involved with the students of the Advanced Technical School of Engineering of Bilbao, sponsoring the design and manufacture of a single-seater racing car with an electric motor, with which they took part in the Formula Student, considered to be one of the most prestigious student competitions in the world.

OTHER PROJECTS

- **USA Week Europe 2013:** this outstanding congress, held from the 11th to 14th November at the Guggenheim Museum of Bilbao, involved the first European business meeting with the principal leaders of those sectors that are most active in the United States, who presented strategic projects for a value of more than 120,000 million dollars for infrastructures, energy, technology and the manufacturing industry, interesting more than 80 companies in the technology sector.

GRI INDICATORS

S01 SCOPE OF PRACTICES IN LOCAL COMMUNITIES

There has been an increase in the local production ratio, due to the fact that, this year, the factories in Brazil and the USA have increased their production.

	2011	2012	2013
Production located in the local community (%)	71.86	66.52	84.94
Total tax contributions (direct and indirect) (€)	78,038,523	65,357,741	59,190,905

EC6 PRACTICES OF SPENDING ON LOCALLY-BASED SUPPLIERS

As a result of the increase in local production, there was also an increase in sourcing from local suppliers, given the fact that the factories manufacture products using the resources available in their country of business, with regard to materials and labour.

	2011	2012	2013
Spending on locally-based suppliers (%)	42.23	41.20	65.59

EC11 FINANCIAL AID RECEIVED FROM GOVERNMENTS

Our participation in official schemes for technological development has increased, with a record figure for subsidies in 2013. These are used in R&D in order to continue to remain at the forefront of the technologies we are developing.

	2011	2012	2013
Subsidies (€)	3,728,054	2,039,572	5,313,552

SUMMARY OF THE CORE GRI INDICATORS

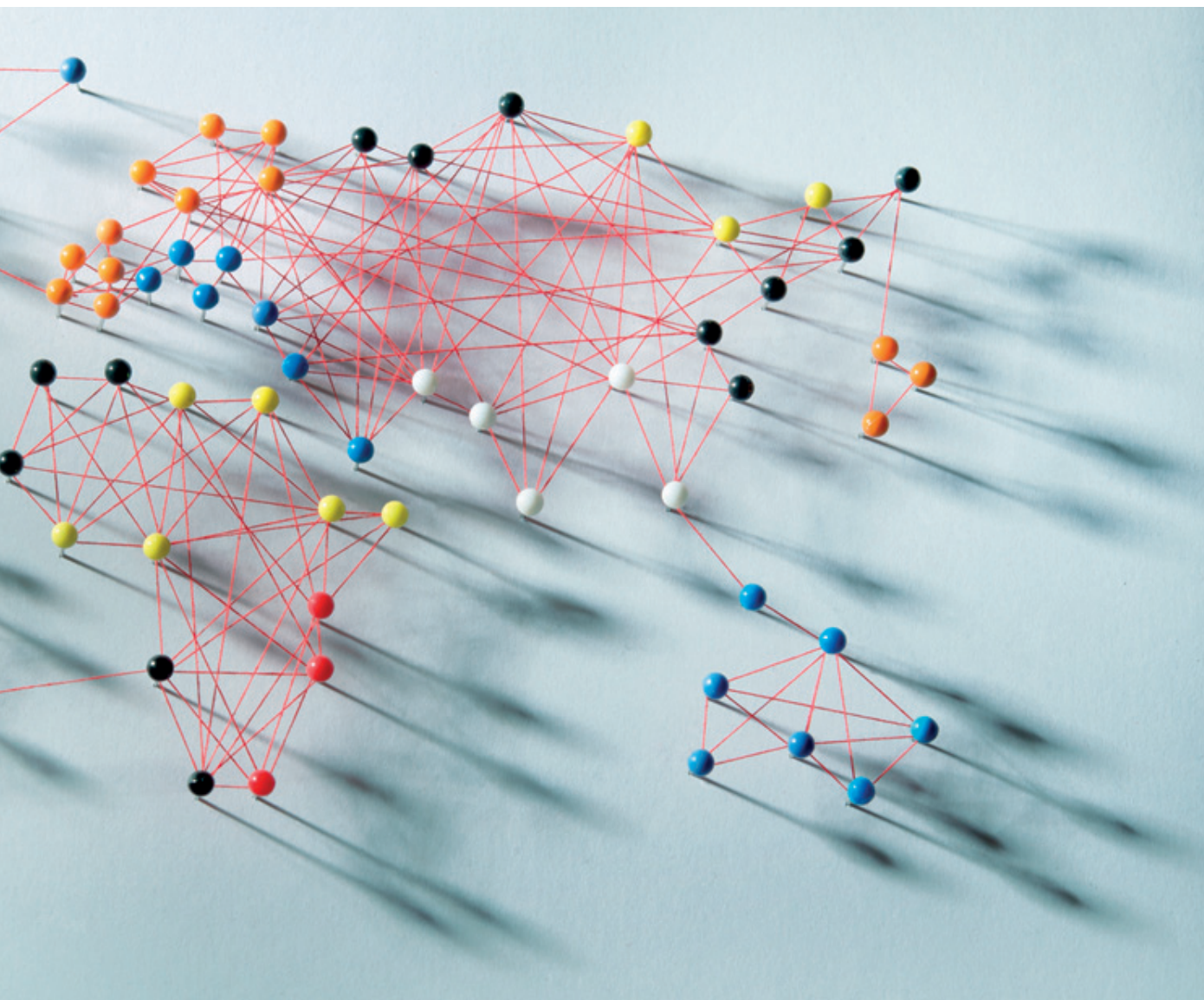
GRI CODE	UNIT	2011	2012	2013
EN1	Recycling MSW			
	Paper consumed _____ Kg. per person and year _____	14	14	7.96
	Cardboard consumed _____ Kg. per person and year _____	12	15	10
	Wood consumed _____ Kg. per person and year _____	83	98	112
	Chemicals consumed _____ Kg. per person and year _____	25	35	51
EN2	Recycling MSW (paper)			
	Recycled paper _____ % _____	33	14	27
	Recycled cardboard _____ % _____	12	15	44
EN3	Direct energy consumption			
	Electricity _____ kWh per person _____	3,870	4,599	4,782
	Natural gas _____ kWh per person _____	2,446	3,829	3,871
	Gasoil _____ kWh per person _____	396	413	425
EN6	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	3,818
EN8	Water consumption			
	L per person _____	57	37	38
EN16	Emissions of greenhouse gases			
	Emissions CO ² (fossil fuels) _____ Ton _____	2,158	3,149	2,575
	Emissions CO ² (electricity consumption) _____ Ton _____	5,088	5,672	5,835
EN22	Waste			
	Paper _____ Ton _____	39.7	39	38
	Cardboard _____ Ton _____	99	126	53
	Plastic _____ Ton _____	31	28	30
	Wood _____ Ton _____	31	200	263
	Hazardous waste _____ Ton _____	120	95	63
	Metals _____ Ton _____	1,625	1,979	2,281
	Electrics - Electronics _____ Ton _____	20	16	24
EN29	Emissions of CO² for vehicle mobility			
	CO ² from the movement of company vehicles _____ Ton _____	459	624	1,063
	CO ² movement of vehicles to and from work _____ Ton _____	3,732	5,378	4,665
EN30	Amount in Euros for environmental expenditure and investment			
	€ _____	306,770	428,508	174,421

GRI CODE	UNIT	2011	2012	2013
LA1	Growth in the workforce			
	Average time worked at the company _____ years	7.71	8.26	8.77
	Net job creation over the year _____ Nº jobs	-400	-31.3	-51.03
	Average age _____ years	36.93	37.32	37.97
LA2	Type of contracts			
	Permanent contracts compared to the total workforce _____ %	77.9	83.87	83.71
	Outsourcing of recruitment through Temp. Emp. Agencies _____ %	0.07	0.08	0.03
	Workers on half-time _____ %	3.02	3.96	4.56
	Workers on flexi-time _____ %	40.93	44.34	43.39
LA7	Accident rates			
	Work-related accidents with absence from work _____ Nº	195	133	110
	Days lost due to accident _____ Nº days	3,417	2,154	1,769
	Incident rate (nº of work-related accidents with absence from work per 100 workers) _____	5.57	4.63	3.90
	Frequency rate _____	31.96	25.48	22.76
	Severity rate _____	0.56	0.41	0.35
LA10	Training			
	Training hours per year per person _____ H	32	26	53.54
	Cost of training per year per person _____ €	243	375	196
LA13	Diversity and equal opportunities			
	GENDER EQUALITY			
	Women compared to the average workforce _____ %	16.63	18.44	17.85
	Men compared to the average workforce _____ %	83.36	81.54	82.34
	Women with a permanent contract _____ %	72.7	76	83.25
	Men with a permanent contract _____ %	71.3	74.5	82.17
	Women on governing bodies within the company _____ %	11.43	14.02	8.30
	Men on governing bodies within the company _____ %	88.57	85.98	91.66
	INTEGRATION OF THE DISABLED			
	Indirect recruitment of the disabled _____ %	4.24	2.23	3.72
	Direct recruitment of the disabled _____ %	0.53	0.35	0.45
	Companies with disabled-friendly facilities _____ %	77.5	83.63	81
S01	Scope of practices on local communities			
	Production located in the local community _____ %	95.15	71.86	84.94
	Total tax contributions (direct and indirect) _____ €	79,375,524	78,038,523	59,190,905
EC6	Practices of spending on locally-based suppliers			
	_____ %	75.58	42.23	65.59
EC11	Financial aid received from governments			
	_____ €	5,125,394	3,728,054	5,313,552

Ingeteam in relation to the Ten Principles of the Global Compact



Just a year ago, the Ingeteam Group formerly signed the United Nations Global Compact in favour of the basic principles of Human and Labour Rights, the Protection of the Environment and the Fight against corruption which inspired this great initiative at the time. Our signing of the Global Compact confirms a prior active involvement of Ingeteam, not only in relation to the Global Compact, but with the values also promoted by Corporate Social Responsibility as a management model based on ethics and good practices contributing to the social, economic and environmental improvement of companies.



Today we are reconfirming our commitment. In addition to reporting our progress following the guidelines of the G3 Global Reporting Initiative Guide as the best tool to clearly transmit the performance of our activities in the economic, social and environmental areas, since 2011 we have been applying our own Code of Conduct to guarantee continuity and dynamism in the CSR policies forming part of our business in all the lines of activity and geographical areas in which we are operating. This also enables us to strengthen relations with all our stakeholders.

Our progress in 2013 is summarised in the following tables, based on the Ten Principles of the Global Compact, following a classification divided into 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

- Despite the continuing difficult economic climate, we have continued to improve recruitment by increasing the percentage of permanent contracts, facilitating part time work and promoting flexi time. This has led to a gradual increase in the length of service in the company and has improved the stability of the workforce.
- A great deal of effort is put into the ORP functional area, which is still one of our company's corner stones, with a number of initiatives such as the creation last year of our Own Prevention Service and the ongoing review of the procedures specific to the Integrated Management System. Our priority is the safety of our workers.
- And we don't stop there given the fact that, in the context of the Group's international expansion, we are continuing with our strategy to implement occupational health and safety management systems in all our subsidiaries. In this financial year of 2013, there has already been a considerable fall in our accident rates.
- Finally, and no less importantly, we have doubled the number of annual training hours without lowering the quality of the training.

Principle 2 COMPANIES MUST MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

- We have no record of activities of this type, at present or in the past.

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 places of work.

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

- Actions of this type are not applicable to our organisation or to any of our principal stakeholders, and we hereby declare our support to initiatives promoting the eradication of any action of this nature.

Principle 5 BUSINESSES MUST SUPPORT THE ABOLITION OF CHILD LABOUR

- This conduct is not applicable to our organisation, either in the past or at present, given the fact that the performance of our activities is not prone to the wrong and reprehensible use of child labour, as may occur in other sectors.

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

- We have continued to promote the presence of women in our boards of directors.
- For yet another year, we increased the direct and indirect recruitment of persons with physical or sensory disabilities, whilst improving accessibility at the workplace.

The environment

Principle 7 BUSINESSSES MUST MAINTAIN A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

- One of the consequences of the policy underway to renew old equipment is a clear reduction in greenhouse gas emissions.

Principle 8 BUSINESSSES MUST UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

- We are optimising the consumption of materials such as paper and cardboard by reducing their use and also increasing the use of re-cycled materials.
- Despite having opened new subsidiaries and production plants, our water consumption continues to be sustainable thanks to the improvements made last year in the identification and elimination of leaks, amongst others.
- The considerable environmental investments made in previous years are starting to reveal greater efficiency.

Principle 9 BUSINESSSES MUST ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

- The development of self-consumption and storage systems to promote the use of renewable energies.

Anticorruption

Principle 10 BUSINESSSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS INCLUDING EXTORTION AND BRIBERY

- We have no record of activities of this type.

Ingeteam

www.ingeteam.com