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COMMUNICATION ON PROGRESS 2022

GENERAL

Company: INDUS INGENIERIA Y ARQUITECTURA, SL

Headquarters address: Via Augusta 4, 08006 Barcelona, Europe

T.: +34 93 217 56 54

Contact person: Àgata Pedrerol, apedrerol@indus-eng.com

Web Page: www.indus-eng.com

Period covered by the Communication on Progress (COP) From: March 2021 To: February 2022

Find enclosed the statement of continued support by our CEO, Ms Àgata Pedrerol.

Foreword

Indus is an engineering, architecture and consulting firm, based in Barcelona (Europe) with projects in several countries, particularly in Europe and Africa. It employs directly 84 people and has a larger team of associate professionals who work constantly with our team. All the statements included in this document refer to all the professional team, both employees and associates, for all operations and for all geographies.

Our experience abroad is limited in time and in geography. As an organisation we are still addressing how to cope with some of the ten principles in other latitudes, particularly when cultural, behavioural, labour, environment and legislation grounds may be different, and we work with foreign associate companies or for foreign clients. Our goal is to act equally in all geographies and therefore apply equally the ten principles.

The Communication on Progress document includes both opportunities and responsibilities that the Sustainable Development Goals (SDGs) represent to our business, and where the company's priorities lie with respect to the SDGs.

Year 2021 has still been affected by the COVID19 pandemic and the successive waves. A big effort was put in place to upgrade systems and provide all the hardware and software to employees to be able to perform correctly when they had to be confined. We were able to deliver all the projects on the due dates and with the quality standards of the firm. The technology has enabled a more flexible work environment and reduced travelling, which both have improved the quality of life of employees.

In 2021 travelling abroad resumed but with strong health limitations. The international strategy of the firm has reduced its pace, and we concentrated in working for existing clients.

As a family business, Indus adhered to the FBN Polaris UN initiative for the Sustainable Development Goals (SDGs), which is a commitment to build a sustainable future across generations. With our inherent focus on long-term success and responsible ownership, we strive to apply our entrepreneurial know-how and resources to build a just and equitable world, where our planet will flourish on the short and long term.

Therefore Indus is working to identify SDGs aligned to our business, in order to track our progress and assess the impact of our pledge in a transparent manner using the relevant Sustainability Indicators.

HUMAN RIGHTS PRINCIPLES

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2: make sure that they are not complicit in human rights abuses

Assessment, Policy and Goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment).

Description of policies, public commitments and company goals on Human Rights.

- Indus complies with all the legislation and codes in the European Union concerning the rights of the individuals, of the employees, and in general of the citizens, both for the European operations and the performances carried out overseas.
- Concerning the implementation of human rights, Indus acts directly on its own operations and labour rights issues. Issues relating to suppliers, communities, local governments and other stakeholders placed are often out of our range of influence, particularly taking into account we are a small business.
- Indus supports and respects the Universal Declaration of Human Rights and other international standards.
 - Indus believes and supports that all human beings are born free and equal in dignity and rights. Individuals shall not be discriminated by race, colour, gender, language, religion, political or other opinion, national or social origin, property, birth, sexual orientation, physical appearance, or other status in our headquarters office or in any other location worldwide where we perform operations.
 - Everyone has the right to life, liberty and security of person. No one can be prevented from their rights. The management of Indus is engaged in preventing any potential abuses by applying a strict code of conduct.
 - Indus engages to work with national and international public authorities to promote the application of human rights and to cooperate with their implementation when required.
 - Concerning labour rights, Indus adheres to the principles that:
 - Everyone has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.
 - Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
 - Everyone, without any discrimination, has the right to equal pay for equal work.
 - Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
 - Everyone has the right to form and to join trade unions for the protection of his interests.
 - Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.
 - There is a protocol against harassment on the work environment to avoid any potential situation that may compromise the well-being and dignity of our professionals.
 - Indus provides education and training to its employees in order to make them more capable and open a greater range of opportunities for them.
 - Indus understands it is an organisation within the society. Therefore it has certain

obligations with the community, which include among others paying its taxes, complying with laws, respecting the environment, providing opportunities for all, respecting difference and supporting democracy, ...

Specific goals in the area of Human Rights for the upcoming year

Our goal for next year is that there is no action from the company, its employees and its associates, which does not observe or respect the human rights. Therefore a 0-zero (no tolerance) goal for breaks is stated.

As an action goal, Indus will assess human rights issues relevant for our operations. This requires a thorough thinking and analysis in order to identify, prevent, and address adverse human right impacts our operations may have. Once issues are identified it will be easier to prioritize based on the amount of people that can be impacted negatively by the break of the principles, and the chances of our company and its professionals performing an act against the Human Rights. Moreover, if the relevant issues are known to all stakeholders of the firm it will be easier to act to prevent any breakdown and furthermore promote the rights. The results of this work should be summarized in a working document.

Implementation

Description of concrete actions to implement Human Rights policies, reduce Human Rights risks and respond to Human Rights violations.

- The company tracks any investigations, legal cases, rulings, fines and other relevant events related to Human Rights that may arise concerning its operations and the operations of stakeholders. The company will take a proactive attitude in investigating as soon as there was a suspicion of any human rights breach.
- Should there be any issue with the human rights, the CEO would personally get involved in the investigation and in the solution
- Disciplinary actions could be taken against any employee or partner whose conduct breaches human rights. The sanction would be decided on the spot based on the gravity of the performance and the consequences.
- Prior to starting working with a local partner, a short search for information concerning human rights and other relevant issues is performed. The outcome of this search is kept within the company folder.
- When working with third parties, we oversee that our common operations meet the same standards we apply to our employees.

Measurement of outcomes

- No breach of Human Rights has been reported for the period.

LABOUR PRINCIPLES

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities).

Description of written policies, public commitments and company goals on labour rights.

Our firm provides high quality services. Professionals who can provide these services are a scarce resource. Being aware of this fact, the company believes that the employees are one of the most valuable assets, and acts accordingly. This not only includes reasonable pays and fringe benefits, but also creating a good working environment and providing opportunities to grow and excel to professionals, as well as respecting the individuality and concerns of each person. A good proof of thereof is that there is a large portion of employees who have worked at the firm for over 10 years. There are people who have worked for over 40 years in the firm and professionals who have only had this job from their graduation to their retirement.

In the last year we have been recruiting personnel, who we train on the work and give opportunity to advance in their professional career with the support of engineers and architects with a long standing experience.

There is the understanding that in order to succeed both employees and company goals have to be aligned. In some circumstances a special effort can be requested to some individuals, and they have to know that the company and the management will also respond when professionals require a special treatment.

This year a special attention has been put in training. A large number of employees have benefitted of courses to upgrade their skills or knowledge in different fields: languages, software, codes, management, safety...

Technical work carried out by the firm requires trained professionals with high education, which makes it very unlikely that any child could be employed. On the contrary, since it is often a matter of intellectual capacity, there may be employees with physical disabilities. Moreover, due to current pandemia, the company has established a policy to support employees with special health risk.

Despite the health crisis, Indus has made a big effort to keep all its professionals. The reduction of number of employees has been due to the retirement (at legal age or beyond) or the voluntary leave (due to family reasons, new opportunities).

Following the European, national and local laws, Indus:

- Respects the freedom of association and recognises the right to collective bargaining
- There is no such thing as forced or compulsory labour at the firm
- All employees are older than 16, legal age where individuals can start to work. As a matter of fact, no employee or trainee is younger than 18.
- There is no discrimination whatsoever concerning employment or occupation.

The assessment carried out to partnering companies in other latitudes includes an analysis of the respect of labour rights according to the local legislation.

Specific goals in the area of Labour Rights for the upcoming year

- Retention of all the professionals working at the firm
- Resolution of any conflict that may arise internally through open dialogue
- Provide training and education to professionals to improve their opportunities and achieve personal and professional goals

Implementation

Description of concrete actions taken by your company to implement labour policies, reduce labour risks and respond to labour violations.

- Selection and payment according to the value added by the individual, irrespective of gender, race, physical disabilities,...
- Training on health and safety at work, particularly on construction site.
- Training to improve career and improve professional capacities
- Health and safety audits at work
- Choice for long term contracts instead of choice for short term
- Clear identification of the Human Resources responsibility within the organisation, direct supervision by CEO.
- Strict compliance with a very demanding labour code.

Measurement of outcomes

- There are 30 women and 63 men working for the firm
- 10 employees are 60 or older, 22 are between 50 and 60, 36 are between 40 and 50, 15 are between 30 and 40, and 10 are below 30.
- There are two people with physical disabilities
- Almost 35 employees have worked over 10 years with the firm, of which 25 over 20 years.
- Twelve people have joined the firm this year. Several trainees have become full time employees. Currently 5 trainees are working in the firm while finishing their college degrees.
- BIM training has been given for a number of professionals to improve their skills.
- Training on data protection has been given to all employees
- No issues were raised in the health and safety audits
- Specific Health and safety training was followed by all technical employees.
- Health test were offered to all employees.
- Higher flexibility schedules have been offered to employees to adapt to the new situation.
- ITC equipment and software put in place to allow for more working flexibility
- Upgraded and enlarged facilities for social and working areas.
- Additional flexibility to make more compatible private and professional life

ENVIRONMENTAL PRINCIPLES

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities).
Description of policies, public commitments and company goals on environmental protection.

This is a service company. In an internal assessment it was determined that our most notable environmental impacts are:

- Electricity consumption for HVAC, for computers and ICT, for lighting.
- Paper consumption
- Petrol for transportation (to construction sites, to the office)
- Water for sanitary use (toilette)
- Plastic for drinking water bottles

An action plan was drafted to reduce this, it included:

- Improving insulation of the offices: new insulation for external walls
- Tight control of the AC units to ensure an optimal service
- Automatic turn off of the lights and equipment based on working hours
- Double flush toilettes when replaced
- More efficient lighting when replaced
- Separation of main recyclable waste: paper, plastic bottles
- Intensive use of ICT to reduce paper consumption (transmission of information through ICT instead of physical copies), and priority for delivering in A3 format instead of A1 when possible.
- Enforcement of separation of waste in the construction sites and request of recycling certificates
- Selection of recyclable materials when designing buildings (life expectancy of materials taken into account)
- Environmentally friendly design of the buildings we design
- Training of personnel in environmentally friendly design and energy efficiency
- Space for parking bicycles in the office to encourage this mean of transportation
- Painting some offices white to increase the level of light inside.
- Change of lighting in some floors to more efficient light bulbs
- Change of the windows to prevent noise and heat coming in.
- Upgrade of computers with lower power consumption.
- Two inverse osmosis water supply in order to reduce plastic bottles
- Rental of electrical cars when available. Agreement with cooperative rental car company, SomMobilitat to lend us always an electrical vehicle.

Specific goals in the area of the environment for the upcoming year

- Training to a selection of employees to promote greater environmental responsibility;
- Larger number of A or B certified energy efficient buildings designed.
- Reduction in the consumption of energy and materials within our premises

Note: a reduction in energy consumption in HVAC could be due to the better maintenance (cleaning of filters, for instance), but also due to more balanced temperatures. Since it is not possible to isolate the reason in the consumption, this goal is not deemed appropriate.

Note: a large number of the actions identified have already been put in place. The cost of tracking the evolution (ie., paper sent to recycle bin instead of normal bin) is the use for not including these issues as a specific goal.

Implementation

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents.

The general rule is that when there are two choices for an equipment, the energy consumption will be taken into account. In general, when the appliances have an energy efficiency label, the choice is for A or A+ products.

There are wastebaskets in every floor for collection of paper, plastic, lamps, batteries, ink toners.

There is a lockable area on the ground floor where employees park their bicycles.

Windows have been replaced in all floors where an agreement with the landlord has been secured.

New lighting using leds has been installed on new premises, which improved the level of light to work and also reduces the electricity consumption.

Several floors have been internally been painted in white to have better light.

There are several teleconferencing rooms to avoid unnecessary travelling of employees.

Reverse osmosis water supply for all employees in order to reduce plastic bottles.

New air quality control systems at each floor and in rooms with potential high occupation.

When designing, the project gets evaluated according to several environmental criteria, and there is a minimum threshold.

Preventive measures to reduce waste and pollution during the works are determined in the project phase and are enforced during the works.

Indus offers the service to its clients to assess the building according to internationally recognized environmental certifications such as LEED or DGNB. This raises the awareness of the client and the design team of how their decisions result in a larger or smaller environmental impact. This type of assessments is still not required often, but we have carried them out in Spain, in Portugal and in Ghana.

We have hired an engineer to better assess and implement environmental issues.

Measurement of outcomes

- One additional employee has received training in environmentally friendly design or energy efficiency.

- There have been no investigations, legal cases, rulings, fines or other relevant events related to environmental principles
- Several employees come by bike every day (significant increase in the recent year).
- One electrical car is used every day for visiting clients.
- We have designed a buildings receiving an A – grade for environmental friendliness
- There has been a significant improvement in the working conditions of the floors where windows have been changed: not only for temperature reasons, but also for dust and noise.
- New premises have been rented. We have redistributed some employees in different floors in order to have more room for working and meeting in better conditions and have more social space.
- We have replaced some of the printers for more efficient units has been approved. They consume less ink and less electricity. If they get paper jam less often, less paper will be spent.
- We have reengineered some processes in order to use electronic copies instead of paper. We usually deliver our designs electronically unless there is a legal or client request stating otherwise.
- Number of plastic bottle collection as waste has been reduced and is now marginal.
- Because of teleworking, the car CO2 emissions for coming to work have been reduced. Consumptions of electricity, water, and paper have also been reduced. For the future it is expected that flexibility measures put in place should maintain the levels of consumption below the ones achieved in the past if number of employees were constant.
- Air Quality control parameters meet legal standards.
- Cloth face masks supplied to all employees to reduce disposable face masks.

During the year, because of the pandemia, the occupation of our offices has been variable. Because of the compulsory confinement due to coronavirus cases among employees, several professionals worked from home. Therefore the data of consumptions for the year cannot be compared.

ANTI-CORRUPTION PRINCIPLES

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy and Goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

- Indus is against any type of corruption, including extortion or bribery.
- Indus professionals are trained from the very first day that no such act will be allowed.
- Our professionals are aware that we earn our living from our client's fees: no other source of income is allowed.
- Private and public officials are treated in the same manner.
- When a suspicion of such behaviour has arisen in the past, a thorough investigation by Indus management has taken place and if proofed true, work contract has been cancelled.
- We analyse the reputation of our local partners concerning their track in corruption.

Implementation

Description of concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents.

- Indus professionals are trained from the very first day that no such act will be allowed. In the ISO 9000 procedures there is even a paragraph related to inadequate behaviour and its consequences.
- CEO and partners have been involved in any investigation of misbehaviour
- For contracting works, decision from the client is required. Names of contractor's to be invited to tender is left at Client's choice. Proposals to be received and opened by Client before being analysed by Indus.
- Training for professionals travelling to conflictive countries (particularly some African nations) is expected to be carried out next year.

Measurement of outcomes

- There have been no Investigations, legal cases, rulings, fines or other relevant events related to corruption and bribery
- There have been no incidences detected and documented.
- ISO 9000 internal and external audit stated procedures had been carried as approved
- Assignments have been refused when there was a suspicion of illegal behaviour of the Client or other parties involved in the job.

N/ Ref. COP 2022

S/ Ref.

Barcelona, 18th February 2022

Ex.mo Sr. António Guterres
United Nations

New York, NY 10017
USA

Statement of continued support

To all Stakeholders,

I am pleased to confirm that Indus Ingeniería y Arquitectura SL reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

The Communication on Progress document includes both opportunities and responsibilities that the Sustainable Development Goals (SDGs) represent to our business, and where the company's priorities lie with respect to the SDGs.

Sincerely yours,

Àgata Pedrerol Sagalés

CEO

Indus Ingeniería y Arquitectura, SL.