

SUSTAINABILITY
REPORT

Ingeteam

2015





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LETTER FROM THE INGETEAM C.E.O.



Throughout the history of the Ingeteam Group, we've known how to seize those opportunities which even arise in complex times like these. It's true to say that, today, we're living in a world that is changing by the minute, very often leading to new situations that need to be managed in an ongoing process of adaptation. This adaptation covers the four vectors on which Ingeteam's sustainability is based: people; the environment; safety; and the impact of our activity on the Community. These are all accounted for in this report.

In this way, our group has also witnessed and experienced significant changes over the last few years as a result of our international expansion process, the results of which have started to have a full impact on all levels of our organisation (such as a 16% year's increase in sales, and other changes such as the management of a multi-cultural approach in our international subsidiaries).

2015 has yet again offered us the opportunity to continue to further the objectives set, as advanced in the 2014 Report. And, viewed in perspective, the various indicators demonstrating the consolidation of our growth, are consistent with the commitment and determination shown by our Team of Staff (which, at a global level, has grown to include 460 new employees in the Ingeteam family). All our employees are aware of the need to resolve the challenges presented by the changing global economic context in the short and medium term. Moreover, in this respect, it should be remembered that our business, based on technological progress applied to the generation, management, transport and consumption of electricity and on industrial automation (steel, marine, railway, mining, etc.) is set to play a key role over the next decade. A decade in which we will see the culmination of the breakthroughs that we are promoting in the areas of electronics, communication and energy management, to name but a few.

These breakthroughs update the energy conversion systems that we are developing, in an ongoing commitment to innovation. The result of applying these systems in the sectors in which we operate, leads to a significant reduction in CO2 emissions and an ongoing improvement in the efficiency and effectiveness of the processes, with a clear objective towards achieving sustainability. In 2015, renewable energy oriented products, solutions and services accounted for more than 65% of our turnover.

In this respect, innovation will continue to be a driving factor, a factor which is set to characterise us in the future, as well as efficiency and expenditure restraint, helping us to achieve the international leadership position that we are working towards.



Mr. Adolfo Rebollo Gómez
Ingeteam C.E.O.

INTRODUCTION

In 2015, the consolidated growth of the Ingeteam Group presented a variety of results, the detailed study of which can be concluded from the analysis of the information contained herein. In fact, the data reported in detail and based on transparency, will enable any person or any stakeholder to locate our strong points and to define those points that need to be corrected in the interest of improving our organisation.

However, in addition to the mandatory financial statements and indicators, there is an underlying awareness that we also aim to convey to all those people who, in one way or another, are connected to our companies, across the globe: our sincere concern for the environment, our efforts to improve occupational health and safety, to guarantee development, training and effective equality at all Staff levels, and our desire to continue to progress towards a sustainable growth model that incorporates best practices and interacts with the local community in all those places in which we operate.

All in all, this report aims to offer a comprehensive, balanced and fair view of our performance throughout the year.









SUSTAINABILITY REPORT

“TAKING CARE OF
NATURE’S GIFTS”

Contents:

Mission, vision and values
Environmental commitment
Occupational risk prevention
Our team of staff
Community
Principles of the Global Compact
GRI indicators

MISSION, VISION AND VALUES

OUR MISSION

“To apply engineering to the research, design, innovation, production and sale of customized products and services, or with a high technology content in those areas in which there is a significant energy exchange, helping our customers to achieve their goals, driving a sustainable energy model and contributing to the well-being of mankind”.

OUR VISION

“To ensure that Ingeteam is a leader in those markets in which it operates, offering its expertise in rotaring electric machinery, power electronics and control electronics”.

OUR VALUES

“We work proactively, having taken on board the need to make an ongoing effort to improve the quality of our actions, to consider all possible solutions and to accept the results with integrity. Given the fact that, based on our personal and corporate honesty, we promote fair treatment, mutual trust and respect, and all the potential that diversity also offers our organization. We are concerned for the well-being of each and every person, whilst also endeavoring 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, directed at our stakeholders”.





SUSTAINABILITY REPORT



This is the fourth annual Sustainability Report submitted to our stakeholders. Yet again, we report on our results and progress with regard to Corporate Social Responsibility, based on the G3 Global Reporting Initiative (GRI) standard. This exhaustive procedure is directed at offering a detailed and reliable view of the performance of the Ingeteam Group with regard to the triple bottom line achieved in the financial, social and environmental areas throughout 2015.

Year after year, our efforts are directed at promoting respect for human rights, labor rights, environmental protection, the fight against corruption, based on the 10 Global Compact principles of the United Nations. The sum of these efforts constitutes the essence of our commitment to build a better world for future generations. To do so, we have gone beyond the legally enforceable regulations.

In 2015, we continued our international expansion process, extending our presence to more than 30 countries and giving a strong boost to our activities and production. This has required a logical and significant increase in the recruitment of new employees in a

number of subsidiaries abroad. To all those forming part of our team of staff (whether they be newcomers or veterans), we've offered a new sensitization campaign on occupational safety within the framework of Occupational Risk Prevention: "TAKE YOUR TIME, for your health and safety. Stop-Think-Act"

We've also considerably increased the budget allocation dedicated to environmental investments, whilst greatly reducing our greenhouse gas emissions.

We have closely collaborated with entities such as the Adecco Foundation, helping to remedy situations of social exclusion by offering employment programs and pathways to a number of people at risk, people who are now back on the labor market.

And we're really pleased to have donated all the equipment and material required to generate a PV energy storage system in a hospital in the village of Benin (Africa), so that patients can receive a better health service. In collaboration with the NGO "Action Against Hunger", we've also achieved 3767 days of nutritional treatment to meet the needs of hundreds of children affected by acute malnutrition.

INGETEAM CARING FOR THE ENVIRONMENT

“NATURE IS INEXHAUSTIBLY SUSTAINABLE IF WE CARE FOR IT. IT'S OUR UNIVERSAL RESPONSIBILITY TO PASS A HEALTHY EARTH ON TO FUTURE GENERATIONS.”

(Sylvia Dolson)

Right from the outset, our entire organization has had an ongoing commitment to the protection and conservation of the environment. This is an intrinsic part of our daily production activity, to such an extent that, today, it would be impossible to distinguish one from the other in our work.

In fact, the sustainable development which we are aiming at, able to meet present day needs yet without putting at risk the resources and possibilities of future generations, entails, right from the start, the adoption of increasingly efficient production methods, avoiding toxic emissions, minimizing waste, reducing consumption and facilitating recycling. Yet, in order to achieve this goal, as well as the inevitable compliance with the legal and regulatory requirements that are applicable to our activities, we also need the utmost involvement, motivation and training of all our employees. This also entails the setting and monitoring of some specific annual targets, through reliable indicators, informing the company and our stakeholders with regard to the progress of the same. These are the basic foundations or premises, representing the cornerstones of Corporate Social Responsibility within our organization.

With regard to the internationalization process promoted over the last few years, an added feature is our sustained effort to maintain, and even improve as far as possible, the results on environmental targets and policies in all the areas in which we are operating. However, unquestionably, when interpreting the data recorded by the various annual indi-

cators, the organization's international expansion should be taken into account. So, for example, in 2015, this can be inferred by the increase in industrial waste, on the one hand, and, on the other hand, by the increase in CO² emissions from our fleet of vehicles as a result, in both cases and in general terms, of the increased production at our subsidiaries in the United States and Brazil, and the growth of operation and maintenance contracts and also the opening of new subsidiaries.

Even so, in 2015, we would also highlight the considerable effort to yet again increase the recycling of consumables and the use of recycled materials such as paper and cardboard. Specific mention should be made of the clearance work conducted at a number of warehouses in order to recycle obsolete material. Despite the production increase and the new plants, we have still managed to progress in the optimization of our consumption rates. In this way, through continuous monitoring and changes of location in the buildings, we have also reduced our water consumption levels.

But, above all, in 2015 we have reduced our greenhouse gas emissions in relation to the increase detected in 2014, achieving levels that are even lower than those recorded the previous year.

And, finally, in order to successfully address and drive these efforts, we have considerably increased the budget allocations for environmental investments in 2015.

GRI INDICATORS

(ENVIRONMENTAL COMMITMENT)

EN1

RECYCLING OF MSW

We are continuing with our aim to increase the recycling of consumables.

		2013	2014	2015
Paper consumed	Kg. per person and year	8	9.50	8.14
Cardboard consumed	Kg. per person and year	10	8,11	12.68
Wood consumed	Kg. per person and year	112	130.60	109.99
Chemicals consumed	Kg. per person and year	51	46.91	49.48

EN2

RECYCLING OF MSW (PAPER)

Our company is continuing to drive the utilization of recycled materials, with increased use of recycled paper and cardboard alike.

	2013	2014	2015
Paper recycled	27 %	26.70 %	32.38 %
Cardboard recycled	44 %	38.65 %	39.26 %

EN3

DIRECT ENERGY CONSUMPTION

Despite the production increase and the new plants, we have still managed to progress in optimizing our consumption rates.

		2013	2014	2015
Electricity	kWh per person	4,782	4,371	3,978.74
Natural gas	kWh per person	3,871	3,135	3,079.97
Gasoil	kWh per person	425	215.94	201

EN6

CO² EMISSIONS AVOIDED THROUGH THE USE OF THE RENEWABLE ENERGY EQUIPMENT PRODUCED BY INGTEAM

This figure has increased in relation to last year, due to the growth in the production of wind power, photovoltaic and hydropower equipment, thereby avoiding the emission of more than 5,500 tons of greenhouse gases into the atmosphere.

		2013	2014	2015
CO ² emissions avoided per year	MTn	3,818	5,136	5,635

EN8

WATER CONSUMPTION

Continuous monitoring and changes of location in the buildings has made it possible to reduce water consumption during this financial year.

	2013	2014	2015
Litres of water consumed _____ by person and day _____	38 _____	31.36 _____	26.99

EN16

EMISSIONS OF GREENHOUSE GASES

This indicator is directly influenced by production rates.

	2013	2014	2015
Tons of CO ² (from fossil fuels) _____	2,575 _____	3,910 _____	2,197.03
Tons of CO ² (from electricity consumption) _____	5,835 _____	6,191 _____	6,118.28

EN22

WASTE

In general, the increased production in our subsidiaries in Brazil and the United States has led to an increase in industrial waste, except for paper.

	2013	2014	2015
Paper _____ Tn _____	38 _____	47 _____	40
Cardboard _____ Tn _____	53 _____	43 _____	69
Plastic _____ Tn _____	30 _____	26 _____	47
Wood _____ Tn _____	263 _____	310 _____	323
Hazardous waste _____ Tn _____	63 _____	75 _____	117
Metals _____ Tn _____	2,281 _____	4,076 _____	3,2371
Electrics - electronics _____ Tn _____	24 _____	11 _____	30

EN29

CO² EMISSIONS FROM VEHICLE MOVEMENT

The increase in operation and maintenance service contracts and the opening of new subsidiaries has led to a rise in figures in this section.

	2013	2014	2015
CO ² in Tn. coming from company vehicle movement _____	1,063 _____	1,131 _____	1,556.53
CO ² in Tn. coming from vehicle movement to and from work _____	4,665 _____	3,157 _____	3,976.69

EN30

AMOUNT IN EUROS FOR ENVIRONMENTAL EXPENDITURE AND INVESTMENT

With regard to care of the surrounding environment, we have boosted our efforts in this area.

	2013	2014	2015
Environmental expenditure and investment _____	174,421 _____	142,146 _____	201,262

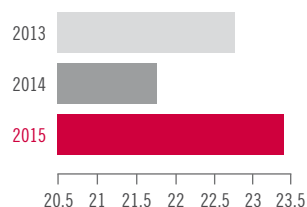
OCCUPATIONAL RISK PREVENTION (ORP)

“MATURITY BEGINS
TO GROW WHEN YOU
CAN SENSE THAT YOUR
CONCERN FOR OTHERS
OUTWEIGHS YOUR
CONCERN FOR YOURSELF.”

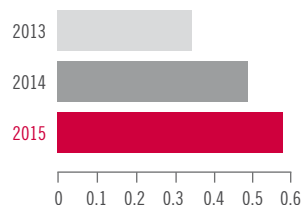
(Albert Einstein)

The business internationalization process initiated through the Group's subsidiaries in more than 30 countries, has been heterogeneous, whilst it has also placed more focus on ORP in those places in which our activity is greater. This is the case in France, Italy, Norway, Romania, Poland, as well as Chile, Mexico, Venezuela, Brazil, Panama and South Africa.

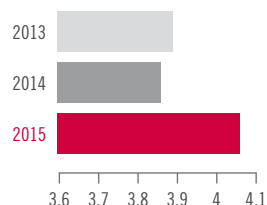
Frequency rate - 23.41



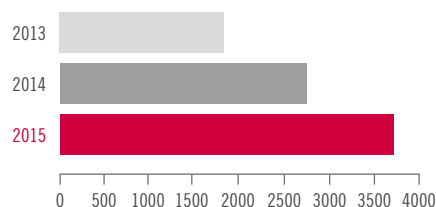
Severity rate - 0.58



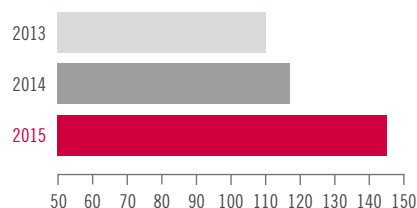
Incidence rate - 4.08



Total working days lost - 3,680.36



Work-related accidents with absence from work - 145

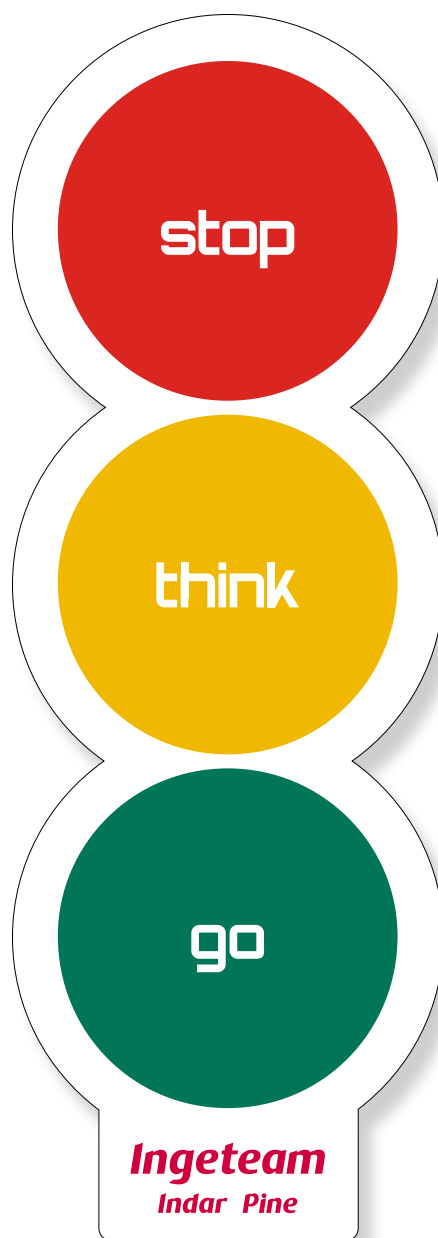


Given the host of derived factors (range of destinations, different local legislation on ORP, the diversification of business activities, and the difficulty in some communications) our management model needs to move towards the progressive coordination of ORP at an international level, and it is in fact doing so.

The actual business development and the increased activity at our subsidiaries also come together in this respect. In some cases these factors often need the support and monitoring of the parent companies in Spain, in order to establish suitable, predefined integrated management models or guidelines, complying with the respective local legislation.

Nonetheless, during 2015, we recorded an upturn in our global indicators. However, this increase in incidents should certainly be construed in the light of other, more significant data (or indicators), insofar as, on the one hand, they report a significant increase in recruitment at a number of subsidiaries and, on the other hand, a considerable increase in activity in some of the higher risk sectors, when performing daily work tasks. Such is the case in the subsidiaries in France and Italy and in our plant in Brazil, where the headcount has increased from a staff of 60 employees to around 150 in just one year. On the other hand, both Ingeteam Service and Indar have managed to reduce their accident rate indicators, whilst Ingeteam Power Technology and Pine Equipos Eléctricos have managed to maintain the same levels as for previous years.

All in all, our endeavor to sensitize and raise the awareness of the Ingeteam workers still further, with regard to Occupational Risk Prevention led to the implementation of a new campaign on ORP in 2015, with the slogan “TAKE YOUR TIME, for your health and your safety”. This campaign promoted a series of actions directed at three groups: field personnel; personnel in the factory, warehouses and laboratories; and office personnel. Moreover, the campaign took health promotion still further, focusing on healthy lifestyles and with an innovative creative concept: “stop, think and act”, a concept which encompasses all aspects of life, whether these be work or non-work related.



The two specific campaigns we worked on in 2015 were Electrical Risks and Hazards, directed at field personnel, and Road Safety, directed at all groups.

With regard to our goals, in 2015 we also managed to standardize the PTA (Pre Trip Advisory) corporate protocol, thereby consolidating the prior information for international trips. We also completed the corporate ORP Legal Audit by conducting workshops on ORP, directed



at corporate senior management and the business management heads of Ingeteam in Spain. Likewise, we have managed to standardize workwear (PPE Cat III) for the Ingeteam Service and Ingeteam Power Technology businesses, based on the following standards:

- *EN 340*: Protective clothing. General requirements.
- *EN 11612*: Protective clothing against heat and fire. A1A2 B1 C1.
- *EN 1149-5*: Protective clothing against electrostatic hazards.
- *EN 61482-1-1*: Protective clothing against thermal arc hazards. Box test method. Class 1.
- *NFPA 70E (HRC 2)*. Standard for Electrical Safety in the Workplace.

Finally, Pine Instalaciones y Montajes, S.A. has investigated and implemented the standards and regulations for ORP in the international context, for work on Offshore platforms. It has also been certified to standard BST GWO by the training centers at Albacete (Spain) and Juchitán de Zaragoza (Mexico), and strengthened the Joint Prevention Service at Indar Electric and Indar Máquinas Hidráulicas.

The following aspects should also be highlighted in the different businesses:

■ IPT:

- Successful completion of the ORP legal audit conducted by TUV, with no Non-Conformities.
- Successful completion of the OHSAS 18001 Certification and Re-certification Audits for each IPT Production Unit.
- Seasonal vaccination offer and standardization of vaccination control for workers sent abroad.
- Preparation of a psychosocial study, information sharing and definition of the actions resulting therefrom, together with the management of the PUs.
- Implementation of a health promotion plan at the Energy PU, through the search for a SAD (semi-automatic defibrillator) system, participation in charity runs, supportive events such as Company Challenges, and an offer of healthy lunches.
- Implementation of an investment plan in ergonomics at UP Paneles.
- Study at the Power Plants PU of the ORP regulations in Chile, in collaboration with the Chilean subsidiary, in order to prepare specifications for customers.

■ INGATEAM SERVICE:

- Ingeteam Spa (Chile) obtained the OHSAS 18001 certificate for Ingeteam Service's activity.
- Establishment of an international electrical qualification system at subsidiaries in which Ingeteam Service operates.
- Due to the maintenance of continuous activity at the subsidiaries in France and Romania, a Health & Safety Officer has joined each subsidiary.

■ **PINE INSTALACIONES Y MONTAJES:**

- In the course of 2015, the company was awarded commemorative plaques for its good work in ORP management, by customers such as ARCELOR MITTAL Sagunto and ARCELOR MITTAL Olaberria.

■ **INGETEAM SAS (FRANCIA):**

- Improvement in the frequency of medical check-ups, from 4 years (mandatory according to French legislation) to 2 years.
- Recruitment of a Health & Safety Officer for Ingeteam Service's business.

■ **INGETEAM GMBH (GERMANY):**

- Review and improvement of the H&S management system at the Munich and Düsseldorf work centers.
- Definition and training of Work Instructors in the field, for Service Technicians.

■ **INGETEAM INC (USA):**

- For Indar's business, the implementation of a

monthly safety inspection plan in order to monitor potential accidents with no physical damage (near miss program) in each production area.

■ **INGETEAM LTDA (BRAZIL):**

- Recruitment of a Health & Safety Officer.
- Monitoring of accident rate indicators and follow-up plan.
- Organization of a week on ORP at the production plant, with in-person talks and the presentation of the corporate ORP campaign.

■ **INGETEAM SA DE CV (MEXICO):**

- Integration of an OHSAS 18001 management system, standardization of training for field technicians for the Ingeteam Service business, and reinforcement of the safety inspection plan and preventive observations.
- Safeguarding of legal compliance with ORP and training, in collaboration with AFJ, for the PGA, Wind and Photovoltaic businesses.



INGETEAM'S DRIVING FORCE: OUR TEAM OF STAFF

“ I'D LIKE TO CREATE
A COMPANY IN WHICH
EVERYONE THINKS:
I'M PART OF A MISSION ”
(Bill Gates)

The Ingeteam Group is formed by a multi-disciplinary team of staff, with more than 3,500 employees all working towards the same goal, with extensive training and steadily growing in number. Ours is a reliable, multicultural team, with a desire to excel, ready for the future and adaptable to new changes, and with a desire to improve the quality of our services. We are united by responsibility, moved by the desire to collaborate and driven by creativity.

So, beyond its advanced technological development, the driving force behind the Ingeteam Group is none other than all those individuals forming part of the group. And the Group pays particular attention to all these employees, through its organizational structure, boards of directors, managerial staff and heads of human resources. For this reason, and in accordance with the legal framework applicable in each country and the application of the collective agreements signed with the



workers, all employees are duly covered within each of our subsidiaries.

Moreover, there is no gender discrimination in our remuneration policy, whilst measures to reconcile work and family life are a priority in the overall benefits package complementing the salary of our employees: health care and accident insurance policies; company canteens; and flexi-hours which include, amongst other advantages, reduced working hours, part-time contracts, maternity and/or paternity leave; breast-feeding hours; health insurance; paid leave; and flexibility in the holiday schedule.

In fact, for many years now, our concern for the well being of our team, has guided our human resources management policies, based on the criteria of Corporate Social Responsibility, by applying, for example, diversity and equal opportunities, promoting the insertion into working life of persons with a physical or sensory disability.



In this way, in 2015, we renewed our agreement with Emakunde as a collaborating entity for the Equality of Men and Women, whilst we conducted sensitization activities as speakers at the conference on “Differentiate yourself, based on equal treatment for men and women”, organized by CEBEK in collaboration with Lanbide and within the framework of the “2015 Equality Forum”. We also took part in a number of workshops organized throughout the year by Emakunde and Denbbora Sarea. Furthermore, as an EFR (Family Responsible Company) certified by the Más Familia (Family Plus) Foundation, we organized the EFR Forum at our facilities, inviting and sharing experiences in the area of work-family reconciliation with many different companies certified in the province of Bizkaia. Also, with regard to reconciliation, we’ve worked on organizing talks and meetings such as “Reconciliation: a new paradigm in managing people”, directed at responding to the commitment acquired with regard to reconciliation, by our Electronics and Technology PU subsidiaries.

But also, in relation to 2015, particular mention should be made of the fact that our workforce has opened up still further to the growing international presence of the Group, which needs to achieve the integration of many different cultures, environments and contexts in order to address all our operating business lines and the subsequent increase in production. For this reason, we have intensified the personnel recruitment procedures in our subsidiaries abroad with the subsequent increased investment in the necessary training, yet with the inevitable decrease recorded in the percentage of indefinite contracts.

However, with regard to labor integration (given this considerable increase in recruitment), we would highlight the results obtained from our collaboration with the Adecco Foundation. Together we have addressed social exclusion situations, catering for and offering employment programs and pathways to many different people.

GRI INDICATORS

(OUR TEAM)

LA1

EVOLUTION OF THE WORKFORCE

The need to increase production and to open new international subsidiaries have led to a considerable increase in employment.

	2013	2014	2015
Average time spent working at the company _____ years _____	8.77	8.72	8.43
Net job creation in the course of the year _____ n° jobs _____	-51.03	214	524
Average age _____ years _____	37.97	37.85	37.84

LA2

CONTRACT TYPE

There has been a clear increase in new recruitment to cover the temporary production needs, and therefore the percentage of indefinite contracts has dropped.

	2013	2014	2015
Permanent contracts compared to the total workforce _____ % _____	83.71	80.94	74.76
Outsourcing of recruitment through TEA's _____ % _____	0.03	1.07	0.61

ACCESS TO MEASURES TO RECONCILE WORK AND FAMILY LIFE

Work and family reconciliation is one of the objectives most sought by Ingeteam.

	2013	2014	2015
Workers on part-time _____ % _____	4.56	4.80	5.69
Workers on flexi-time _____ % _____	43.39	42.99	40.61

LA10

TRAINING

The increase in the workforce in the course of the year entails the need to invest in internal training.

	2013	2014	2015
Training hours per year per person _____ H _____	53.54	29.49	41.34
Cost of training per year per person _____ € _____	196	364	384

*In 2015, a total of 110,289.04 training hours were given

GENDER EQUALITY

The increase in recruitment in non-European Union countries has altered the female participation ratios and the nature of the contracts.

		2013	2014	2015
Women in relation to the average workforce	_____ % _____	17.85	18.32	16.41
Men in relation to the average workforce	_____ % _____	82.15	81.68	83.42
Women with a permanent contract	_____ % _____	83.25	80.50	77.60
Men with a permanent contract	_____ % _____	82.17	79.12	73.05
Women on governing bodies in the company	_____ % _____	8.30	8.10	8.70
Men on governing bodies in the company	_____ % _____	91.66	91.90	91.29

INTEGRATION OF THE DISABLED

This section has seen a positive increase in all indicators.

		2013	2014	2015
Indirect recruitment of the disabled	_____ % _____	3.72	5.70	5.91
Direct recruitment of the disabled	_____ % _____	0.45	0.47	0.48
Companies with disabled-friendly facilities	_____ % _____	81	76.20	81.50



INGETEAM PRESENT IN THE COMMUNITY

Ingeteam actively contributes to improving the societies in which we are present. Right from the outset we have collaborated in different areas and, in the same way as we are increasing our presence in different countries, we also continue to participate in the communities in which we interact through patronage and sponsorship activities.

Our actions can be divided into three areas: technical; social; and sports.

TECHNICAL

We consider that, in order to contribute towards achieving first-class technical training for companies, these companies need to commit themselves to the academic world. At Ingeteam, we interact with a number of educational and training institutions.

On the one hand, we collaborate directly with Occupational Training centers and Public and Private Universities, located in our geographical area. We also sponsor technical events related to Ingeteam's activities.

In the course of the year, we have been present at many different employment forums, which are directed at providing direct contact between businesses and students taking their final courses. We attended the **employment Forums** organized by the Universities of Deusto, Mondragon, Navarra, Basque Country, Oviedo, etc.

We understand that work experience is extremely important, allowing students to develop the skills acquired and gain first-hand knowledge about how a company operates. We have **collaboration agreements** with the Faculty of Engineering of Deusto, Deusto Business School, School of Technical Engineering of Bilbao, University of

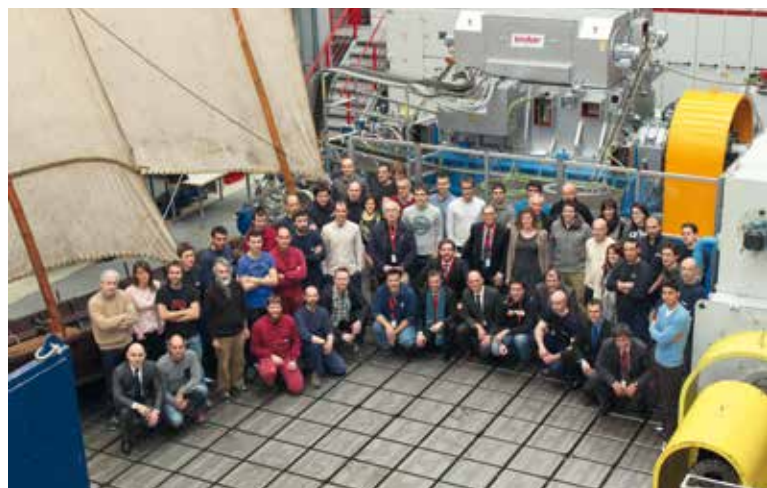


Mondragon, University of the Basque Country, Leioa and Sarriko, Armería Eskola, University of Castilla la Mancha, Public University of Navarra, etc.

We also have **work experience agreements** with occupational training centers such as Elorrieta, Jesuitas, Salesianos, Txorierra, Iurreta, etc. and practices with the Basque employment service, Lanbide. We also collaborate with the **BBK Scholarships** for the integration of young people into the world of work, as well as with the **Novia Salcedo Foundation**.

Mention should also be made of our contribution to the **Adecco Foundation**, a non-profit organization committed to helping those people experiencing considerable difficulty in finding employment, so that they can enter the labor market. This year they have attended to, and offered employment pathways to 19,744 persons and have generated 6,230 jobs for persons at risk of exclusion.

Our involvement with teaching starts with the first steps taken by young people. So, we have collaborated with the **World Robot Olimpiad Donosti** held in San Sebastian this year. This is an international educational robotics competition, in which young people get the chance to learn and show their problem solving abilities.



SOCIAL

Indar signed a collaboration agreement with the Albaola shipyard located in Pasaia (Gipuzcoa - Spain). As part of this agreement, a replica of the **Nao San Juan**, built by the shipyard, is now on show at the Indar facilities. For its propulsion, the replica of this great 16th century whaler combines sails and the most advanced technology, being an eco-friendly vessel that represents no threat to marine fauna.

Thanks to this agreement, Indar has sponsored the top-sail, responsible for the ship's propulsion. In 2016, the crossing made to the Canadian coasts in 1565 is to be re-enacted. The whaler scheme is directed at promoting

knowledge, connection and collaboration between different peoples, looking to the future based on a shared past.

On the other hand, this year we have once more supported a number of associations related to something which is part of all our lives, namely music. For the seventh year running, we collaborated with the **Symphony Orchestra of the Basque Country**, specifically with the concerts offered in Bilbao, San Sebastian, Vitoria and Pamplona in April, entitled "Symphonists of yesterday and today". We also continued to support the choir from the centuries-old **Bilbao School of Engineers**, and the **Alfredo Kraus Musical Association (AMAK)**.

As in previous years, Ingeteam has continued to provide support to the **DYA** (Stop and Help) and to the **Red Cross**, being members since 1990.

Mention should also be made of our **donation of equipment** to a hospital in a village in Benin. Ingeteam was invited to put its knowledge and technology to the service of this humanitarian project: the solar electrification of the hospital in Kotopounga. The company, through its French subsidiary, took the decision to collaborate by donating the material required to connect an energy storage system associated with a PV system. Thanks to the generation of solar energy and to the battery storage system, patients can now receive improved healthcare.

SPORTS

A lo largo de todo el año se han desarrollado diferentes actividades deportivas en las que Ingeteam ha participado.

The **Inter-companies Challenge** races held in Vizcaya and Navarra are a sporting event which is an important social asset. These races were organized by the NGO, Action against Hunger, and were directed at achieving the maximum number of kilometers possible in order to convert them into treatment days to be offered to boys and girls with acute malnutrition. Thanks to the Ingeteam employees taking part in the race in Pamplona (Navarra), the equivalent of 1,198 days of treatment for malnutrition was achieved. Whilst those employees taking part in the Zamudio race (Bikaia) achieved 2,438 days of treatment.

This year Ingeteam has frequently taken part in a number of charity runs. Ingeteam and Indar colleagues are also regular participants in the Alava and Donostia-San Sebastian business runs. Indar has also collaborated with the **Idiazabal popular cross**.

This year, In Albacete, Ingeteam collaborated for the first time with the **City of Albacete International Half Mara-**

ACCION HAMBRE **Ingeteam** **CHALLENGE INTER-EMPRESAS**

2.438 GRACIAS

A todo el equipo de a Ingeteam, que consiguió 2.483 días de tratamiento nutricional para cientos de niñas y niños que lo necesitan

18 corredores de Ingeteam 243,8 km corridos 2.438 días de tratamiento nutricional

thon, one of the most important races in Spain, with more than 2,000 runners taking part in its twentieth edition.

Particular mention should also be made of the bike races in which Indar has taken part. On the occasion of the 75th anniversary, the **Loinaz LXXXCIII Classical Race** was sponsored, in which the main prize was the Indar Great Prize. There was also collaboration with the **4 hour track bike race at Anoeta** (Gipuzkoa), in which two cyclists from the company also took part. The level of these races is comparable with the races held at a European level (where track racing is particularly popular in Belgium, France, Germany and the United Kingdom), and at a world level (Japan and Australia)

Finally, we would highlight the fact that we are continuing to support events organized by the **Aisiatek** Association such as the popular race and golf tournament.

GRI INDICATORS

(COMMUNITY)

S01

SCOPE OF PRACTICES IN LOCAL COMMUNITIES

The increased production in our subsidiaries in Brazil and the United States has led to an increase in this ratio.

	2013	2014	2015
Production located in the local community (%)	84.94	53.95	79,82
Total tax contributions (direct and indirect) (€)	59,190,905	70,511,358	72,842,743

EC6

PRACTICES OF PROCUREMENT ON LOCALLY-BASED SUPPLIERS

As a result of the increased production at our subsidiaries, there has been an increase in supplies made by locally-based suppliers.

	2013	2014	2015
Spending on locally-based suppliers (%)	65.59	36.34	51.51

EC11

FINANCIAL AID RECEIVED FROM GOVERNMENTS

	2013	2014	2015
Subsidies (%)	5,313,552	3,553,757	2,527,188



SUMMARY OF THE CORE GRI INDICATORS

GRI CODE	UNIT	2013	2014	2015
EN1	RECYCLING OF MSW			
	Paper consumed _____ Kg. per person and year _____	8	9.50	8.14
	Cardboard consumed _____ Kg. per person and year _____	10	8.11	12.68
	Wood consumed _____ Kg. per person and year _____	112	130.60	109.99
	Chemicals consumed _____ Kg. per person and year _____	51	46.91	49.48
EN2	RECYCLING OF MSW (PAPER)			
	Paper recycled _____ % _____	27	26.70	32.38
	Cardboard recycled _____ % _____	44	38.65	39.26
EN3	DIRECT ENERGY CONSUMPTION			
	Electricity _____ kWh per person _____	4,782	4,371	3,978.74
	Natural gas _____ kWh per person _____	3,871	3,135	3,079.97
	Gasoil _____ kWh per person _____	425	215.94	201
EN6	CO² EMISSIONS AVOIDED THROUGH THE USE OF THE RENEWABLE ENERGY EQUIPMENT PRODUCED BY INGETEAM			
	CO ² emissions avoided per year evitadas al año _____ MTn _____	3,818	5,136	5,635
EN8	WATER CONSUMPTION			
	Litres of water consumed _____ by person and day _____	38	31.36	26.99
EN16	EMISSIONS OF GREENHOUSE GASES			
	Tons of CO ² (from fossil fuels) _____ Tn _____	2,575	3,910	2,197.03
	Tons of CO ² (from electricity consumption) _____ Tn _____	5,835	6,191	6,118.28
EN22	WASTE			
	Paper _____ Tn _____	38	47	40
	Cardboard _____ Tn _____	53	43	69
	Plastic _____ Tn _____	30	26	47
	Wood _____ Tn _____	263	310	323
	Hazardous waste _____ Tn _____	63	75	117
	Metals _____ Tn _____	2,281	4,076	3,2371
	Electrics - electronics _____ Tn _____	24	11	30
EN29	CO² EMISSIONS FROM VEHICLE MOVEMENT			
	CO ² in Tn. coming from company vehicle movement _____ Tn _____	1,063	1,131	1,556.53
	CO ² in Tn. coming from vehicle movement to and from work _____ Tn _____	4,665	3,157	3,976.69
EN30	AMOUNT IN EUROS FOR ENVIRONMENTAL EXPENDITURE AND INVESTMENT			
	Environmental expenditure and investment _____ € _____	174,421	142,146	201,262

GRI CODE

UNIT

2013

2014

2015

LA1

EVOLUTION OF THE WORKFORCE

Average time spent working at the company	years	8,77	8,72	8.43
Net job creation in the course of the year	n° jobs	-51,03	214	524
Average age	years	37,97	37,85	37.84

LA2

CONTRACT TYPE

Permanent contracts compared to the total workforce	%	83.71	80.94	74.76
Outsourcing of recruitment through TEA's	%	0.03	1.07	0.61

ACCESS TO MEASURES TO RECONCILE WORK AND FAMILY LIFE

Workers on part-time	%	4.56	4.80	5.69
Workers on flexi-time	%	43.39	42.99	40.61

LA10

TRAINING

Training hours per year per person	H	53.54	29.49	41.34
Cost of training per year per person	€	196	364	384

*In 2015, a total of 110,289.04 training hours were given

LA13

DIVERSITY AND EQUAL OPPORTUNITIES

GENDER EQUALITY

Women in relation to the average workforce	%	17.85	18.32	16.41
Men in relation to the average workforce	%	82.15	81.68	83.42
Women with a permanent contract	%	83.25	80.50	77.60
Men with a permanent contract	%	82.17	79.12	73.05
Women on governing bodies in the company	%	8.30	8.10	8.70
Men on governing bodies in the company	%	91.66	91.90	91.29

INTEGRATION OF THE DISABLED

Indirect recruitment of the disabled	%	3.72	5.70	5.91
Direct recruitment of the disabled	%	0.45	0.47	0.48
Companies with disabled-friendly facilities	%	81	76.20	81.50

S01

SCOPE OF PRACTICES IN LOCAL COMMUNITIES

Production located in the local community (%)	%	84.94	53.95	79.82
Total tax contributions (direct and indirect) (€)	€	59,190,905	70,511,358	72,842,743

EC6

PRACTICES OF PROCUREMENT ON LOCALLY-BASED SUPPLIERS

%	65.59	36.34	51.51
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EC11

FINANCIAL AID RECEIVED FROM GOVERNMENTS

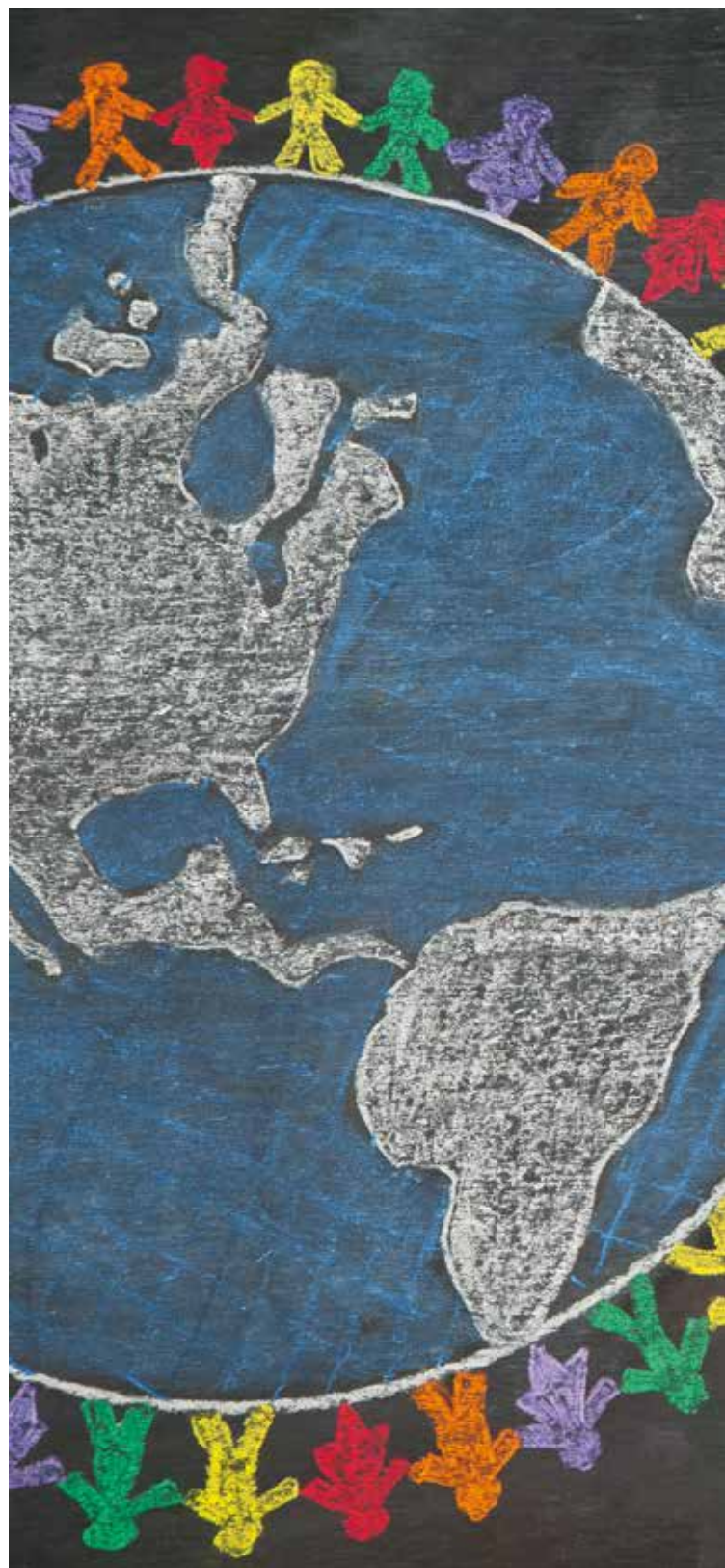
€	5,313,552	3,553,757	2,527,188
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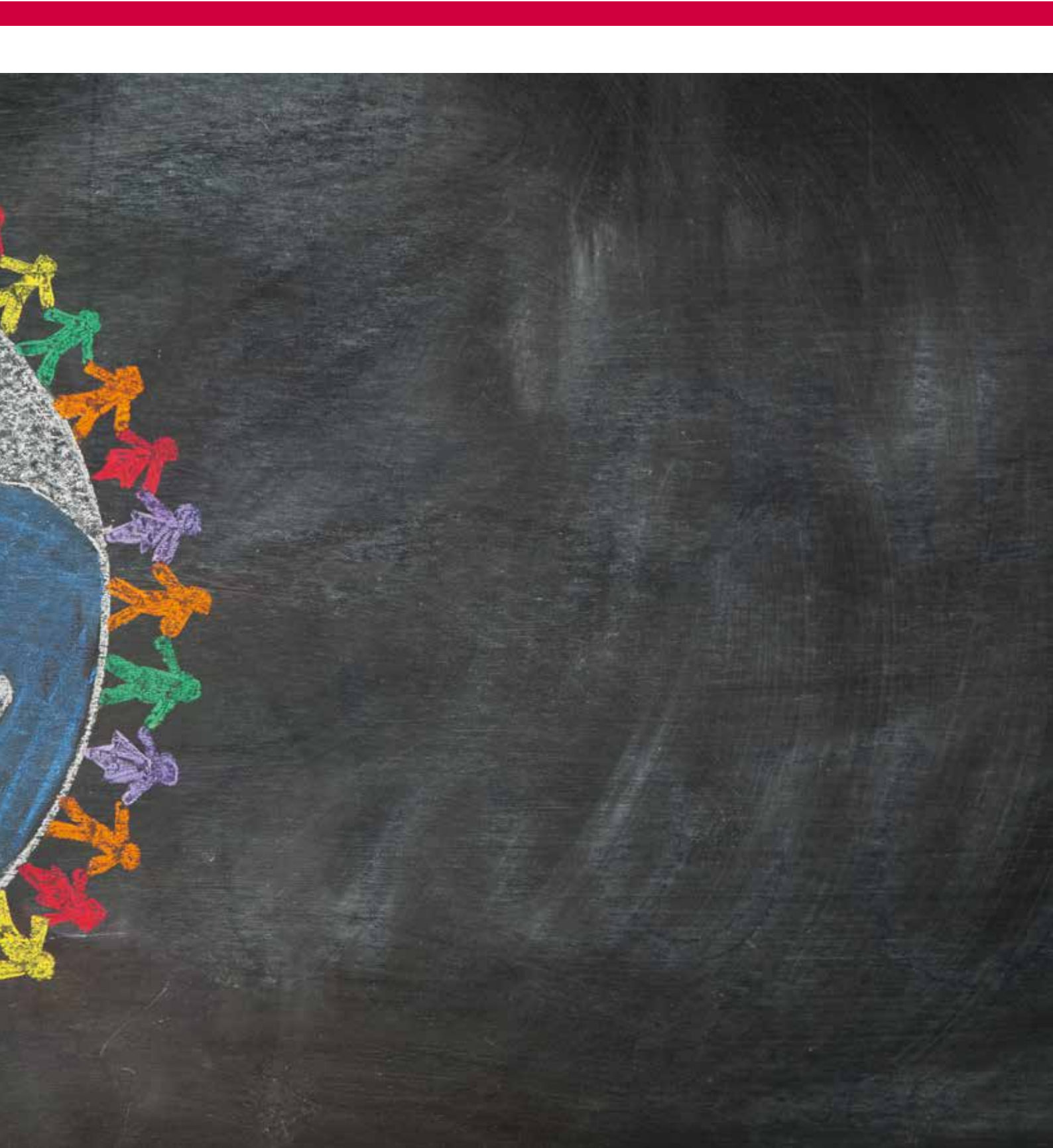
INGETEAM IN RELATION TO THE TEN PRINCIPLES OF THE GLOBAL COMPACT



For the past four years we have been committed to the Ten Principles of the Global Compact, and this commitment is more alive than ever.

Our determination to progress towards sustainable growth, increases day by day and encourages us to carry on working on the basis of respect for these Ten Principles which perfectly show the ideal business organization and the mirror in which we would like to be reflected.





■ Principle 1

BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS, WITHIN THEIR AREA OF INFLUENCE

The Ingeteam Group endeavors to ensure that all our actions promote and guarantee the full enjoyment of human rights. Day by day, our organization, with an extensive international presence, makes every effort to incorporate new measures to better address this principal, if at all possible, in areas such as working conditions, safety, health, education and the rights of disadvantaged groups, amongst others.

This year, we would highlight the campaign entitled "TAKE YOUR TIME, for your health and safety. This campaign came into being with the idea of raising the awareness and sensitizing still further the Ingeteam employees in the area of Occupational Risk Prevention, whilst also promoting a series of actions directed at different groups and promoting a healthy lifestyle.

■ Principle 2

LAS EMPRESAS DEBEN ASEGURARSE DE QUE SUS EMPRESAS NO SON CÓMPlices DE LA VULNERACIÓN DE LOS DERECHOS HUMANOS

No tenemos ni ahora ni en el pasado constancia de actuaciones de este tipo.

■ Principle 3

BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE NEGOTIATION

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 centers.

■ Principle 4

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

Actions of this type are not applicable to our organization 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 organization, 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 labor, as may occur in other sectors.

■ Principle 6

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

The Ingeteam Group promotes equal opportunities without taking account of race, color, nationality, gender, marital status, religion or sexual orientation. Diversity is one of our identifying marks, all the more so in an organization like ours, operating in a number of geographical areas.

■ Principle 7

BUSINESSES MUST MAINTAIN A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

The commitment of the Ingeteam group to the conservation and protection of the environment, has been present right from the outset and is a priority objective. To such an extent that, nowadays, we're unable to work without a preventive approach that aims to minimize our environmental impact, as confirmed by our indicators.

■ Principle 8

BUSINESSES MUST UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

In 2015 we continued to make every effort to reduce our energy emissions and consumptions, highlighting the drastic reduction in our greenhouse gas emissions in relation to the increase detected in 2014, achieving levels that are even lower than those recorded the previous year. On the other hand, environmental sustainability continues to be a priority in our organization, with an ongoing focus on promoting material recycling. Proof of this is the continuous optimization of our consumption ratios.

■ Principle 9

BUSINESSES MUST ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

This year we are proud to highlight the fact that we have considerably increased our budget allocation for environmental investments.

■ Principle 10

BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS INCLUDING EXTORTION AND BRIBERY

We have no record of activities of this type.



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