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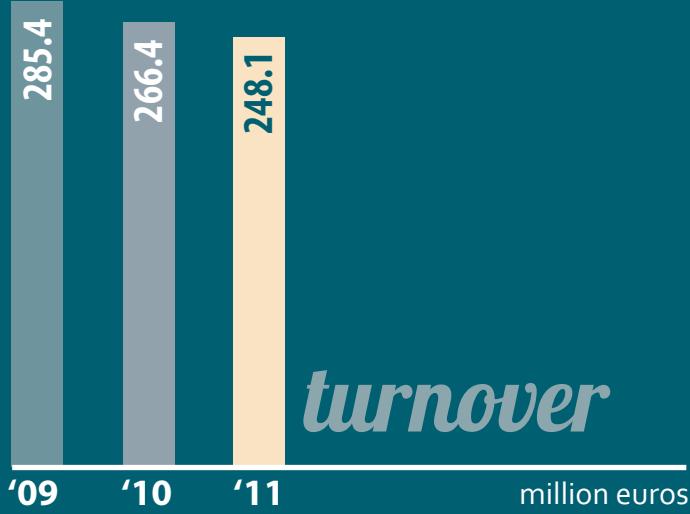
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# *Company overview*

# 248.1 turnover

million euros



## portfolio by sectors

in %

SPANISH PORTFOLIO

INTERNATIONAL PORTFOLIO

14.7%

41.2%

aeronautics

75.0%

12.6%

railways

8.2%

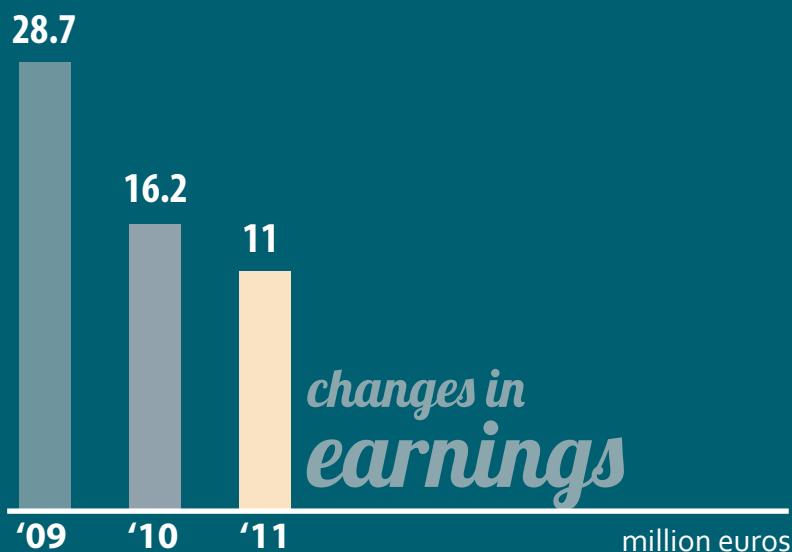
43.1%

roads

2.1%

3.1%

consultancy



# ineco in figures

## *revenue by geographical market*

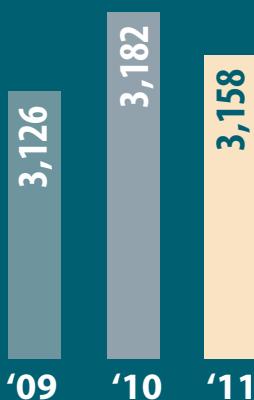
million euros

2010

2011

**254****229.6****SPANISH MARKET****2.5****3****MARKET IN THE  
EUROPEAN UNION****9.9****15.5****INTERNATIONAL MARKET****266.4****248.1****TOTAL**

In 2011, Ineco obtained 248.1 million euros from its business activities. This slight decrease in revenue is associated with the Austerity Plan, which has allowed us to adapt ourselves to our clients' requirements while still maintaining productivity.



## *revenue by sector*

million euros

**165.3** RAILWAYS**64.6** AERONAUTICS**10** ROADS**8.1** CONSULTANCY**248.1** TOTAL

## *changes in workforce*

| Assets   | 2011               | 2010               |
|--|--------------------|--------------------|
| <b>Intangible fixed assets</b>   |                    |                    |
| Computer software  | 574,842            | 739,115            |
| <b>Tangible fixed assets</b>   |                    |                    |
| Land and buildings   | 8,188,845          | 8,578,659          |
| Technical installations, machinery, tools, furniture and other tangible fixed assets | 3,907,360          | 4,588,032          |
| <b>Long-term investments in group companies and associates</b>                       |                    |                    |
| Equity instruments   | 1,327,502          | 985,273            |
| <b>Long-term financial investments</b>   |                    |                    |
| Other financial assets   | 717,829            | 704,647            |
| <b>Deferred tax assets</b>   | 3,924,802          | 3,187,815          |
| <b>Total non-current assets</b>  | <b>18,641,180</b>  | <b>18,783,541</b>  |
| <b>Trade debtors and other accounts receivable</b>                                   |                    |                    |
| Short-term receivables from clients for sales and services rendered                  | 40,845,324         | 51,939,374         |
| Short-term receivables from clients, group companies and associates                  | 87,936,753         | 81,653,808         |
| Sundry receivables   | 214,522            | 165,010            |
| Personnel  | 87,936             | 78,362             |
| Current tax assets   | 13,654             | 183,536            |
| <b>Short-term investments in group companies and associates</b>                      |                    |                    |
| Other financial assets   | 49,971             | -                  |
| <b>Short-term financial investments</b>  |                    |                    |
| Debt securities  | 9,125,759          | 124,545            |
| Other financial assets   | 332,803            | 369,817            |
| <b>Short-term accruals and deferred income</b>                                       | 105,247            | 129,922            |
| <b>Cash and cash equivalents</b>   |                    |                    |
| Cash   | <b>26,894,251</b>  | <b>34,941,899</b>  |
| <b>Total current assets</b>  | <b>165,606,220</b> | <b>169,586,273</b> |
| <b>Total assets</b>  | <b>184,247,400</b> | <b>188,369,814</b> |

# *Balance sheet*

at 31 December 2011 and 2010 | in euros

| <b>Net equity and liabilities</b>              | <b>2011</b>        | <b>2010</b>        |
|--|--------------------|--------------------|
| <b>Shareholders' equity</b>                    | <b>86,077,900</b>  | <b>90,687,907</b>  |
| Capital  |                    |                    |
| Registered capital                             | 8,250,660          | 8,250,660          |
| Share premium                                  | 12,857,007         | 12,857,007         |
| Reserves                                       |                    |                    |
| Legal and statutory                            | 1,650,132          | 1,240,379          |
| Other reserves                                 | 52,312,797         | 52,137,252         |
| Profit/(loss) for the year                     | 11,007,304         | 16,202,609         |
| <b>Grants, donations and bequests received</b> | <b>116,030</b>     | <b>86,163</b>      |
| <b>Total equity</b>                            | <b>86,193,930</b>  | <b>90,774,070</b>  |
| <b>Long-term provisions</b>                    |                    |                    |
| Other provisions                               | 1,000,000          | 979,000            |
| <b>Long-term payables</b>                      |                    |                    |
| Other financial liabilities                    | 597,626            | 507,897            |
| <b>Deferred tax liabilities</b>                | <b>221,495</b>     | <b>218,914</b>     |
| <b>Total non-current liabilities</b>           | <b>1,819,121</b>   | <b>1,705,811</b>   |
| <b>Short-term provisions</b>                   |                    |                    |
| Other provisions                               | 860,900            | 860,900            |
| <b>Short-term payables</b>                     |                    |                    |
| Other financial liabilities                    | 35,290             | 20,342             |
| <b>Trade creditors and other payables</b>      |                    |                    |
| Short-term suppliers                           | 21,505,350         | 20,775,524         |
| Short-term group companies and associates      | 6,951              | 9,032              |
| Sundry payables                                | 48,395             | 11,613             |
| Personnel (accrued wages and salaries)         | 7,527,879          | 6,890,906          |
| Current tax liabilities                        | 262,796            | 1,417,117          |
| Other taxes payables                           | 11,246,043         | 12,682,467         |
| Advance payments from customers                | 54,740,745         | 53,222,032         |
| <b>Total current liabilities</b>               | <b>96,234,349</b>  | <b>95,889,933</b>  |
| <b>Total net equity and liabilities</b>        | <b>184,247,400</b> | <b>188,369,814</b> |



# Profit and loss account

at 31 December 2011 and 2010 | in euros

|  | 2011               | 2010               |
|--|--------------------|--------------------|
| <b>Net revenue</b>   |                    |                    |
| Sales  | 248,065,228        | 266,388,510        |
| Services rendered  | 94,072             | 202,754            |
| <b>Raw materials and consumables</b>                         |                    |                    |
| Subcontracted work   | (52,018,637)       | (66,237,052)       |
| <b>Other operating revenue</b>                               |                    |                    |
| Non-core and other current operating revenues                | 325,443            | -                  |
| Operating grants released to income during the year          | 135,337            | 81,561             |
| <b>Staff expenses</b>  |                    |                    |
| Wages, salaries and similar                                  | (113,578,915)      | (112,072,153)      |
| Employee benefits  | (39,845,587)       | (37,653,734)       |
| <b>Other operating expenses</b>                              |                    |                    |
| External services  | (21,848,969)       | (24,717,833)       |
| Taxes  | (247,146)          | (1,344,960)        |
| Losses, impairment and changes in trade provisions           | (489,034)          | (243,795)          |
| Other operating losses                                       | (3,460,539)        | (359,392)          |
| <b>Fixed asset depreciation</b>                              | (2,158,832)        | (2,533,994)        |
| <b>Operating results</b>                                     | <b>14,972,421</b>  | <b>21,509,912</b>  |
| <b>Financial income</b>                                      |                    |                    |
| <b>Shares in equity instruments</b>                          |                    |                    |
| In group companies and associates                            | 882                | -                  |
| <b>Negotiable securities and loans on fixed assets</b>       |                    |                    |
| Group companies and associates                               | -                  | 447                |
| Third parties  | 365,624            | 89,999             |
| <b>Financial expense</b>                                     |                    |                    |
| Payable to third parties                                     | (20,018)           | (189,922)          |
| <b>Exchange differences</b>                                  | <b>349,485</b>     | <b>203,830</b>     |
| <b>Financial income/expense</b>                              | <b>695,973</b>     | <b>104,354</b>     |
| <b>Profit before taxes</b>                                   | <b>15,668,394</b>  | <b>21,614,266</b>  |
| <b>Corporate income tax</b>                                  | <b>(4,661,090)</b> | <b>(5,411,657)</b> |
| <b>Profit/(loss) for the year from continuing operations</b> | <b>11,007,304</b>  | <b>16,202,609</b>  |



## Ineco at a glance

For more than 40 years, Ineco has been contributing to the development of transport systems. Its business covers the aeronautical, rail, urban transport, roads and ports sectors.

As an engineering and consultancy company in the group of the Spanish Ministry of Transport, it has taken part in the planning, design, execution, implementation and maintenance of many of Spain's most important transport infrastructure projects. This experience has led Ineco to work on projects in more than 40 countries across 5 continents.

Its team is made up of 3000 professionals specialising in all forms of transport. They work every day to meet its customers' requirements.

The company provides integral high-quality solutions for all stages of project development, from conceptual design to start-up and maintenance.





## *Africa*

Algeria  
Cape Verde  
Egypt  
Ethiopia  
Morocco  
Mauritania

## *America*

Brazil  
Colombia  
Costa Rica  
Ecuador  
Jamaica  
Mexico  
Peru  
Venezuela

## *Asia and Oceania*

India

# *ineco* *worldwide*





**Pablo Vázquez Vega**  
Chairman

## *Letter from the chairman*

In February 2012, the Minister of Public Works appointed me as Chairman of Ineco. From the moment I assumed the position, she gave me her full support for the task of working hard to ensure the company's success.

In these complicated times it is a privilege to lead a company like ours, whose healthy market position can be attributed to over 40 years' experience and its magnificent contribution to the modernisation of the Spanish transport network, which is critical for the country's development.

Over these months I have discovered that the company has a top class team of experts, who are facing up to the challenges of internationalisation and the rationalisation of the business with extraordinary levels of professionalism and commitment.

However, nowadays this is not enough; we have to move forward with dedication and creativity to reinvent Ineco, striving to adapt the company to the changing needs of the market and increase its presence abroad by cashing in on the experience accumulated over the years.

An open market, in which we are working on extremely important projects that include the Makkah - Madinah high-speed line, among many other high-profile international projects.

This letter gives me the opportunity to present the 2011 annual report, although it should be acknowledged that the previous chairman, Ignasi Nieto, is responsible for the results it contains and deserves all the merit.

2011 came to a close with a reasonably positive overall balance for our company, with a turnover of 248.1 million euros in line with forecasts, despite the complicated economic situation. The workforce remained stable during this period, with 3158 employees at the end of the year.

A feature of this financial year has been the launch of our international business, which has brought in a revenue of 18.5 million euros. This allowed us to partially compensate for the significant reduction in business in Spain.

In 2011, Ineco progressed along its planned route thanks to its extraordinary human capital, which expedited the company's international launch.

During this period, Ineco has continued to contribute to the excellence of the Spanish transport system with work in high-speed railways and the modernisation of airports and roads. The company has also been involved in other significant projects worthy of mention, such as the Atocha-Chamartin tunnel, the final stretch of the Figueres-Perpignan high-speed line and the Ourense-Santiago-A Coruña line, as well as the project management and start-up of the L'Altet airport.

Likewise, the company's international business has been fundamental for strengthening our presence in the Middle East and Europe and for confirming our presence in traditional markets, such as Latin America and Africa.

Special mention must be made of the project management service for Kuwait Airport, the new control tower at the Eldorado Airport in Colombia, the winterisation plan for Heathrow airport in the United Kingdom, a functional study for the new Casablanca airport in Morocco and our participation in the Istanbul-Ankara high-speed line in Turkey, as well as the Guadalajara-Colima road in Mexico.

As an engineering company, we have accepted great challenges involving each and every one of the actions with our stakeholders, which can be seen in the chapters on our commitments.

Ineco has followed the 10 Principles of the Global Compact for many years. The company incorporates this United Nations initiative into its policies and procedures, which we have revamped in 2011. Furthermore, this year Ineco received an Advanced Company accreditation for the presentation of its 2010 Progress Report; this is the highest level awarded for the assessment of the implementation of principles, transparency and the information given in the reports.

Our corporate responsibility policy follows a strategic approach, which integrates our main stakeholders' expectations and is used as a basis for setting the targets and policies that allow our company to progress along the path of sustainability.

Emphasis should also be placed on this year's launch of the Regulations on Integrity, Transparency and Commitment, which are mandatory for all employees and management staff. Along these lines, we are also proud to present Ineco's first annual report in line with the standards established by the Global Reporting Initiative (GRI). We are convinced that the greater transparency of the information given in the report represents value-added for both the company and society.

On a social scale, Ineco continues to support charity programmes through the Euro Solidario Campaign, a stable channel for employees to take part in cooperation projects. Furthermore, we use the company's volunteers plan to promote the integration of disabled individuals and those at risk of social exclusion. We maintain stable commitments to a number of organisations from the tertiary sector and collaborate with them on a variety of charity initiatives.

Bearing all this in mind, along with the issues mentioned at the start of this letter, we cannot afford to ignore the changing situation of the engineering sector in Spain, which means we must approach 2012 by following strict efficiency criteria in our processes and organisation. We also intend to continue with our austerity policy while maintaining our essence as an innovative, ultra-modern company that is a reference in its sector.

Accordingly, over the coming year, we must reinvent ourselves and deal with the major international challenges to come. We will overcome said challenges through talent-development and the hard work of every member of our team.

To all of our team members, our customers, shareholders and board of directors, I would like to acknowledge your commitment and confidence. With all your support, we will continue to work towards achieving all the targets and goals that lie ahead.

Pablo Vázquez Vega  
Chairman

# Management team

as of June 2012

**Rafael Torres**  
CEO Corporate Operations

**Pablo Vázquez**  
Chairman

**Javier Cos**  
CEO International and Business Development

**Enrique González**  
CEO Aeronautics



**Ignacio Nuche**  
CEO Roads

**José M<sup>a</sup> Urgoiti**  
CEO Railway Projects, Works and Maintenance

**Ana Rojo**  
CEO Environment, Intermodal Consultancy and Specialities

**Juan Batanero**  
CEO Railway Installations and Systems

# Board of directors

as of December 2011

## CHAIRMAN

Mr Ignasi Nieto Magaldi  
Chairman  
INECO

## DIRECTORS

Mr Juan Ignacio Lema Devesa  
Chairman  
AENA

Mr Javier Marín San Andrés  
Director of Spanish Airports  
AENA

Mr Félix Albertos Carrión  
Communications Director at the Cabinet of  
the Ministry of Public Works  
MINISTRY OF PUBLIC WORKS

Mr Jesús Mendiluce La Calle  
Director of Infrastructures  
AENA

Mr Antonio González Marín  
Chairman  
ADIF

Mr Teófilo Serrano Beltrán  
Chairman  
RENFE OPERADORA

Mr Santiago Cobo Diego  
Director of the Madrid-Levante AVE line  
ADIF

Mr Antonio Berrios Villalba  
Director of Network and Innovation Management  
ADIF

Ms Belén Bada de Cominges  
Deputy Chief  
MINISTRY OF PUBLIC WORKS

Mr Javier Anibarro García  
Executive Advisor  
ECONOMICS DEPARTMENT OF THE SPANISH  
GOVERNMENT

Mr Juan Díaz Muñoz  
Executive Advisor to the General Secretary  
SPANISH GOVERNMENT

Ms María Rosario Cornejo Arribas  
Deputy Chief of Conservation  
Directorate-General of Road Networks  
MINISTRY OF PUBLIC WORKS

Mr Mariano Navas Gutiérrez  
CEO  
CEDEX

Ms Manuela Dolores Ferrari Velázquez  
Advisor to the Secretary of State  
MINISTRY OF PUBLIC WORKS

## SECRETARY OF THE BOARD

Mr Mauricio Corral Escribano  
Deputy Chief of Legal Advisory Services  
ADIF

## RESIGNATIONS AND APPOINTMENTS

EXTRAORDINARY GENERAL MEETING  
(13-01-2011) \_\_\_\_\_

RESIGNATION  
Mr Andrés Costilludo Gómez

APPOINTMENT  
Ms Ángeles Moreno Bau

EXTRAORDINARY GENERAL MEETING  
(10-03-2011) \_\_\_\_\_

RESIGNATION  
Mr Luis López Ruiz

APPOINTMENT  
Mr Antonio Berrios Villalba

EXTRAORDINARY GENERAL MEETING  
(10-10-2011) \_\_\_\_\_

RESIGNATION  
Ms Carmen Librero Pintado  
Ms Ángeles Moreno Bau

APPOINTMENT  
Mr Félix Albertos Carrión  
Mr Juan Díaz Muñoz

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**2011**  
*annual  
report* **ineco**

[www.ineco.es](http://www.ineco.es)

# *Business areas*



# *Business areas*

## INDEX

Aeronautics

Railways

Roads

Transport planning and economics



## Aeronautics

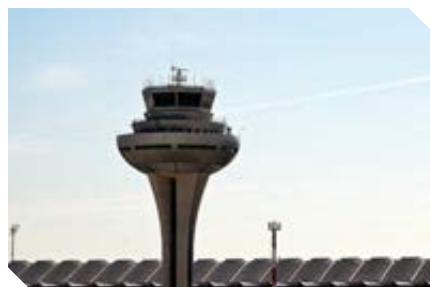
### *SPREADING OUR WINGS THANKS TO THE FOREIGN MARKET*

2011 was a very important year for the aeronautics activity of Ineco, due to its boost in the international market. The company strengthened its position in its traditional markets (Latin America and North Africa) and extended its activities to new highly dynamic markets in the Middle East and Asia. The international aeronautics portfolio was up 21 points in 2011, accounting for 41.2% of total international earnings.

Among other airport projects, Ineco has worked on the functional design for the extension of the Mohamed V airport in Casablanca (Morocco) and in the project management for the Kuwait airport. It has also developed strategic plans in the area of air navigation, such as the reorganization of the Moroccan air space and system and service studies, including the control tower for the Eldorado airport in Bogota (Colombia).

For the Spanish airport network, Ineco has continued to assist Aena in projects that include the various airport extensions in Alicante and South and North Tenerife.

In 2011, Ineco has continued the technical development of air navigation systems, especially in communications, navigation, surveillance and information systems. It has also undertaken projects related to the research, development, implementation and operation of air traffic management systems.



## ► AIRPORTS

### AIRPORT PLANNING PROJECTS

Ineco has implemented master plans for Aena's airports in Cordoba, Son Bonet, El Hierro, Fuerteventura, San Sebastian and Jerez.

It has also undertaken various air traffic assessments, focusing on passengers, operations, freight and design parameters, both for the national and international markets.

Furthermore, the company has completed a number of sector-wide studies, such as the analysis of traditional and low-cost airlines (strategies, current and future fleets, factors affecting route density, etc.); short-term trends in the interna-

tional sector (study of long-term changes in the main passenger departure/arrival countries and possible short-term variations); national traffic ceilings (study of possible limits to the number of national passengers due to external factors: tourism restrictions, falling populations, etc.); status reports on various airports; traffic reports for the main airports on the Aena network (changes in comparison with the main airport parameters over the last five years and the corresponding causes and consequences).

## MANAGEMENT AND OPERATIONS

Ineco has continued its work in Spain for the State Agency for Air Safety (Spanish acronym: AESA), consisting mainly of assistance in activities related to authorizations, inspections and certifications for privately managed public airports, as well as support tasks in construction and inspection projects for restricted-access aerodromes.

On an international scale, the second and third quarters of 2011 saw work on the Winterization Plan for London's Heathrow airport (United Kingdom) and on the Institutional Strategic Plan and Modernization of the Organizational Structure for the General Directorate of Civil Aviation and the Technical Council for Civil Aviation of Costa Rica.

## AIRPORT IMPACT ASSESSMENTS AND ENVIRONMENTS

There have been on-going studies on the implementation and modification of aeronautical easements for airports on the Aena network. In particular, achievements in 2011 include the approval of aeronautical easements for the airports of Alicante, Bilbao, Palma de Mallorca, Reus, Son Bonet and Vitoria.

Studies began for the approval of aeronautical easements, focusing on the detection, assessment and valuation of obstacles that could impede on existing aeronautical easements. In 2011, studies began in 14 airports on the Aena network: Almeria, Barcelona-El Prat, Bilbao, Cordoba, Gran Canaria, Ibiza, Logroño, Madrid-Barajas, Malaga- Costa del Sol, Menorca, Palma de Mallorca, Son Bonet, Valencia and Vitoria. Furthermore, studies were conducted on 32 aeronautical radio-electric facilities.



Consultancy services have continued for the General Directorate for Civil Aviation through management projects that study and assess airport impacts in relation to urban development plans.

The provision of assistance services to Aena has remained in place to integrate airports into the surrounding urban environment through the Special Plans.

Work on the control and detection of aircrafts that do not comply with operational restrictions at the Madrid-Barajas airport has been maintained, with due reporting on all existing breaches of compliance.

On an international scale, there has been direct cooperation with the Oman airport authorities on a project that has defined a plan to enact all the measures required to guarantee the safety and scheduled regularity of aircraft operations in direct relation to the safety and comfort of persons living near the airport. This also takes into account current and future urban development in the airport environment.

## R&D+i

Ineco endeavors to apply the latest technology to advanced systems. In 2011, the firm developed specific software for the airport sector, such as the NAZPLV tool, designed to generate complete flight plans for any given day, taking into account the limitations to operational capacity, not only in the airports under study, but also for the entire Aena network.



## AIRPORT CIVIL WORK PROJECTS

Throughout 2011, we have worked on approximately 30 projects for improvements to airport traffic and new urban development plans. Most of these projects have been for airports on the Aena network.

The company has also performed upgrades that were necessary for the continued certification of aerodromes in Malaga, Madrid-Barajas, Palma de Mallorca, Jerez and Barcelona.

In addition, repair works have been carried out on the manoeuvring areas of the airports of Valladolid, Gran Canaria and Pamplona and in urban developments at the airports of Madrid-Barajas and La Palma.

International projects have included the repair and extension of the runway at Sangster Airport in Montego Bay, Jamaica, and the repaving of the south manoeuvring area of the Eldorado Airport, in Bogota (Colombia).

## BUILDING AND FACILITIES PROJECTS

Ineco has continued to work with Aena on its terminal and auxiliary building projects. These projects have included the airports of Madrid-Barajas, Valencia, León, Fuerteventura, North Tenerife and Zaragoza. The work carried out at international airports have included the participation of Ineco in the projects for the terminals at various airports of Cape Verde and also in Odessa airport, in Ukraine, as well as the new control tower for the Eldorado Airport in Bogota (Colombia).

Ineco's electrical installation projects have included the refurbishment and installation of power stations at airports such as those of Melilla, Gomera and Granada.

Other projects have included technological facilities such as the automated baggage-sorting system for the extension of the Mohamed V Airport in Casablanca (Morocco).

Ineco's commitment to innovation is reflected in projects such as HePA (precision tool for estimating the electrical power at a given airport) and an experimental pilot plant in Lanzarote for studying HVAC systems. Ineco has also started to develop the BACTERIO project for waste elimination.

## AERONAUTICAL ENGINEERING SERVICES

In 2011, there was an increase in integrated project management services and new international projects were launched. They included integrated management projects for the extension to the international airport of Kuwait and independent engineering project management services for the extension to Prishtina's Adem Jashari International Airport (Kosovo). At the same time, we have continued to provide services for national plans (Malaga, Levante, Canary Islands, Barcelona) that are currently in their final phase.

We have also continued our engineering support for Aena's Infrastructure Department and the airports of Madrid-Barajas, Barcelona, Palma de Mallorca, Lanzarote, South Tenerife and Valencia, including project blueprints, coordination of activities and technical documentation centre management.

Ineco has continued to provide Aena with support in operational safety and airport certification for nearly all the airports on its network. Special mention must be made of our participation, in 2011, in the certification of the airports of Madrid – Barajas, Ibiza, Malaga, Barcelona, Granada, Palma de Mallorca, Jerez, Huesca and Sabadell.

In the area of airport operations and services, Ineco provides a range of technical support services to Aena for the drafting of procedures, operating instructions, self-protection manuals and emergency plans, technical specification documents for public tenders and the monitoring of the service provided by handling agents; the company also conducts statistical studies and inspects services, etc.

With regards to airport safety, we work with Aena to draw up safety procedures, providing training and conducting safety inspections at Aena's airports. We also study requirements, draft tender specifications for the supply of safety equipment and supervise installation.



## AIRPORT CONSTRUCTION

During the course of 2011, Ineco has provided technical support services for various Aena airports. Overall, work has been completed on 13 contracts involving more than twelve Spanish airports; international work has also been carried out, including project management for Kuwait airport.

Works have been supervised on new and refurbished terminal buildings, such as the terminal at Ibiza airport and the arrivals hall at Palma de Mallorca airport, car parks, roads and developments, control towers, aircraft parking aprons, runways (such as the one at Cordoba airport), radars and air navigation facilities.

Ineco has also coordinated health and safety and/or site management for 106 air navigation procedures. The company has worked with Aena on 119 health and safety audits at 29 airports across its network.

Ineco's commitment to R&D+i can be seen in the development and application of project management support tools, such as SIOS, and in the project titled "Design and development of a Tool for Assisting the generation of Final Project Documentation and its subsequent management by Maintenance", designed for the processing of final project documentation and its possible use in maintenance management.

## OPERATIONAL READINESS AND TRANSFERS

Ineco has worked with Aena on the commissioning of various extensions to the airports on its network. The same method used for the commissioning of T4 and T4S at Madrid-Barajas, T1 at Barcelona-El Prat and T3 at Málaga-Costa del Sol, among other airports, was applied to all of said commissioning work. In 2011, commissioning work was carried out on a range of installations and systems at the airports of Fuerteventura, Murcia-San Javier, Alicante, Ibiza, South Tenerife, La Palma, Santiago de Compostela, Vigo, North Tenerife and Madrid-Barajas.

Examples of Ineco's international work include the master plan for the Alfonso Bonilla Aragon International Airport, located on the outskirts of the Colombian city of Santiago de Cali, the functional design for terminal building extensions at the Mohammed V Airport in Casablanca (Morocco), the concession project for the Santiago Vila de Flandes Airport in the Province of Tolima, in Colombia, and an analysis of air connections between the countries of the Pacific Rim in Latin America and between said countries and the Asia-Pacific region.

## ACOUSTIC EASEMENTS

In 2011, Ineco has continued to work for Aena on drafting a proposal for delimiting acoustic easements for the main airports covered by Law 5/2010. It also drew up the action plans for resolving known conflicts.

## ENVIRONMENTAL ASSESSMENTS

Ineco performs environmental assessments of activities associated with airport infrastructure that could have a negative effect on the environment; these impact assessments cover plans, programmes and projects.

In 2011, we continued working on phases of the process to assess the Spanish airports on Aena's network. The process involved ascertaining and compiling information about the environment and the activity, as well as expert opinions, the analysis of alternatives and the preliminary identification of impacts; the identification, characterisation and assessment of impacts; the description of minimisation, corrective and compensatory measures, and the definition of a plan to monitor changes to the environment and impacts once the project has been executed.

## ► AIR NAVIGATION

### PLANNING AND COMMISSIONING OF CNS/ATM FACILITIES

Ineco has provided technical support to Aena for the evaluation, validation and implementation of all the systems that form part of different air navigation facilities. From 2011, emphasis should be placed on the technical coordination of the following commissioning works: AMS (Apron Management System) at Barajas T4, the new control towers at Fuerteventura, Santiago and North Tenerife, as well as Aena's Experimentation and Development Center (EDC) at the new air navigation facilities.

In addition, assistance was provided for the implementation of the new primary and secondary radars at the South Tenerife stations (PSR and MSSR Mode S), for testing and analysing ADS/CPDLC system data from the Canary Islands (SACCAN). Support was also given for launching commissioning projects at the Zamora, Cáceres and Calamocha communications centres, the adaptation of the network of VDL stations to meet the IR 29/2009 standard and for the monitoring of the development of a software application for the Management of the Aviation Bands of the Air Navigation Radio Spectrum (Spanish acronym: GBANA).

### IMPROVEMENTS TO THE AIR TRAFFIC CONTROL SYSTEM (SACTA)

Ineco played a decisive role in the adaptation of the SACTA to the requirements of the ICAO for 2012 in the amendment to the PANS-ATM document, as well as to the requirements of European regulations on communication protocols and coordination between adjoining centres. The company also helped to implement advanced functionalities in the SACTA with the aim of increasing efficiency, such as new operational procedures without flight progress strips, CDM (Collaborative Decision Making), AGDL (Air Ground Data Link) and VoIP (Voice over IP) digital voice communications.

## ANALYSIS USING FAST-TIME SIMULATION TECHNIQUES

During the course of the year, works have been carried out on simulation studies, such as the NSAM (Spanish acronym for: New Madrid Airport System) project, the re-sectorisation of the southern region and Malaga APP, the implementation of AMS (Apron Management Services) at Barcelona airport and capacity studies on integrated sectors of the Madrid, Barcelona, Palma and Canary Islands ACCs (I\_SCAP).

In the area of infrastructure development and analysis and simulation tools, we have worked on the following projects: SCOPE (Study of the Operational Capacity of Airport Control Tower), FLEET (Flight Event Transformer), VOICE (speech recognition systems), ATON (Automation of taking NORVA-SE samples) and PERSEO (service providing anticipated and real operational information about sector loads, delays and regulations, etc.).

## TRAINING PLAN FOR AIR NAVIGATION TECHNICAL OPERATIONS STAFF

Ineco has once again provided support to Aena for the coordination and management of all the phases of the training plan for Air Navigation technical operations staff. The company has also started to develop a catalogue of on-line air navigation training courses.

Additionally, we have participated in the review of all the documentation included in technical operation manuals, which describe the directives and procedures that maintenance staff at SNA facilities must be aware of and apply.



## DESIGN AND DEVELOPMENT OF SOFTWARE TOOLS

For several years, Ineco has been developing COVERSuite, a family of tools for calculating the coverage of air navigation aids. In 2011, these tools were extended with the creation of new versions: CoverGBAS V2.0 and CoverCOM V3.0.

With regards to innovation projects in which Ineco has made major investments, work has continued on the development of a flight simulator (incorporating new functions for the validation of procedures and "flyability" analyses), on the HECCO application (Tool for the Evaluation of Coverage Calculations), which allows for the evaluation of the coverage provided by any ground-air communications centre and on the RUCCMAN R&D+i project, where a genetic algorithm has been implemented as a model for the analysis of times for changing runway configurations.

## OPERATIONAL SAFETY MANAGEMENT CONSULTANCY SERVICES

In 2011, we provided consultancy services to Aena on operational safety management for improvements to processes for the analysis of service hazards detected at its facilities. Work has been completed on the development of "Unit Safety Cases" to determine the overall safety level of Aena's facilities.

Similarly, by making use of the functionalities of ACROR (Spanish acronym for: Analyser of Aircraft Movements Based on Radar Data), following the development of a preliminary module in 2011, the way in which different obstacles affect new instrument manoeuvres proposed at various airports was evaluated.

On an international scale, safety case studies have been conducted to determine how airport operations will be affected by the construction of new control towers at the airports of Muscat (Oman) and Eldorado (Colombia).

## DEFINITION AND IMPLEMENTATION OF ATM IMPROVEMENT ACTIVITIES

In 2011, Ineco collaborated very actively with Aena, Eurocontrol and major airlines on the implementation of the A-CDM concept at the Madrid-Barajas and Palma de Mallorca airports. These projects pave the way for optimisations to air traffic management, improvements to punctuality and operational efficiency, benefits that are being felt at European airports where the concept has already been developed.

In the strategic area of the development of a future ATM system, Ineco has designed advanced GNSS-based instrument procedures for the airports of San Sebastian, La Palma, Santander, Malaga and Almeria (PBN RNP APCH and GBAS applications).

## DEVELOPMENT OF GNSS SYSTEMS AND THEIR APPLICATIONS IN THE TRANSPORT SECTOR

Ineco has continued to provide technical support to the European Space Agency (ESA) for the development of evolutions to the European Geostationary Navigation Overlay Service (EGNOS).

Similarly, it has worked with the Ministry of Public Works and Aena to conduct and coordinate a study for the definition of the European Center for GNSS Services (Global Navigation Satellite Systems) for the European Commission. This centre forms part of the European infrastructure of the Galileo system, which is to be installed in Madrid. The study has involved key Spanish companies in the sector.

In the area of applications for satellite navigation systems, on-going support has been provided to Aena on the monitoring of the development of the EGNOS system, as well as the operational implementation in Spanish airspace of approaches based on EGNOS and GBAS CAT-1 systems.

## ► MAIN REFERENCES AIRPORTS

### Project management for Kuwait airport

Integral management of the Kuwait International Airport (KIA) extension project, a complete remodelling of the airport that will allow it to increase the capacity of its facilities (from 6 to 20 million passengers anticipated for 2016).

Ineco's work focuses on providing support to the DGCA (Directorate of Civil Aviation), the airport operator, for control and monitoring tasks during the extension of the airport. This project management work includes a cost and deadline control system, a document management system and assistant to coordinate the engineering work and analyse the way in which it interacts with airport operations.

The main projects featured in the masterplan include the construction of a new runway and the extension of the two existing ones, the apron and taxiways, as well as the construction of a new terminal building with a capacity for 13 million passengers per year. It also involves the construction of a multi-storey car park, an administrative building and a building for rescue and fire fighting equipment. Finally, the plan also includes a hotel and various facilities for the management of air cargo, fuel and aircraft maintenance.

In 2011, Ineco submitted a Project Management Plan, a communications plan and a set of procedures and forms to ensure that construction companies, designers and the airport owner all use the same terms and that project control and integration targets are met.

### **Expansion of the Pristina International Airport. Kosovo**

In Kosovo, Ineco has provided independent engineering and project management services for the extension of the Pristina International Airport.

The main works included in this extension are the adaptation of the runway-end safety areas at both thresholds and of aircraft taxiways with letter code E; the construction of a new terminal building with an area of around 25,000 m<sup>2</sup>, an aircraft parking apron with 7 positions for C aircraft, service roadways to connect the aprons, two de-icing platforms, a training area for the fire and rescue service, a new air traffic control tower and associated facilities, new road accesses and a car park with 1750 places. The work also includes water supply from two independent sources, a waste water treatment plant and a fuel storage facility. In addition, the RADAR and DVOR navigation aid systems will be relocated.

### **Master Plan for the Alfonso Bonilla Aragon International Airport. Colombia**

Airport planning and development guidelines have been defined for a 20 year horizon (2011-2030). The guidelines define the aircraft, passenger and cargo capacities that are required. They also indicate the main construction phases that are viable in material and economic terms, as well as the dates on which it is envisaged that the constructions will be required and the level of priority assigned to each new phase of the extension. In addition to the work on the Master Plan, various complementary studies have been carried out, such as the functional design of the terminal area and an analysis of compliance with Colombia's aviation regulations.

### **Extension of the Mohamed V Airport in Casablanca. Morocco**

Ineco has conducted an analysis of the airport's passenger and baggage handling infrastructure, as well as its airlines and commercial, administrative and technical areas. Part of this was a detailed report on passenger and aircraft traffic. Measurements were made of times taken to process passengers at check-in and security and passport control, as well as times for making flight connections and the collection and delivery of baggage. The analysis of all this information led to a diagnosis of the facilities and operations, which identified the flows and processes where improvements could be made. Infrastructure requirements were calculated based on future passenger demands, taking into account all the design parameters necessary to guarantee high service levels. After concluding the study and submitting it to ONDA (Office National Des Aéroports) and the Moroccan Ministry of Transport, Ineco was contracted to take charge of the Technical Engineering Support Office for the extensions of T1 and T2.

### **Santiago Vila de Flandes Airport concession. Colombia**

The aim is to analyse the airport's potential for the air freight business before the development and operation of the infrastructures contracted out to the private sector.

Ineco has participated in the review and analysis of all the airport's technical records. It has performed an economic-financial assessment of its extension, operation and conservation areas and has drafted a forecast for the airport's traffic demands after the extension of the airside and landside infrastructure. As part of this demand, particular emphasis is placed on the airport's future air freight potential, although it also considers all other possible areas of the air transport business.

### **An analysis of air links between the Latin American countries of the Pacific Rim and between said countries and the Asia-Pacific region**

These studies are aimed at identifying the opportunities and difficulties (in terms of air links) involved in increasing trading activities between the countries lying around the Pacific Rim (Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Peru) and between said countries and the major Asia-Pacific economies. The scope of the work includes a market analysis, covering specific analyses of tourism, foreign trade and the supply and demand for air traffic, as well as a range of traffic forecasts. It also includes an analysis of regulations, which studies regional traffic limitations resulting from air transport conventions and agreements between the countries featured in the study. Finally, there are plans for an analysis of the region's airport infrastructure to detect possible future requirements for handling the traffic flows forecast in the study.

### **London Heathrow Airport Winter Resilience Plan. United Kingdom**

The Plan comprises a coordinated programme of activities for the different groups involved in airside work at the airport in the event of a snow or ice weather contingency. These activities are aimed at minimizing the consequences of such a contingency on normal airfield operations.

As well as defining procedures for the removal and disposal of snow and ice (cleaning routes, techniques for removing snow and applying anti-ice and de-icing products), communications, command and coordination structure and the roles and responsibilities of airport staff and contractors involved in the Plan, it also establishes the human and material resources that are required (state of the art vehicles and equipment for removing and disposing of ice and snow) for airfield operational areas, in accordance with international standard levels of service quality (snow removal times), in order to keep the airport operational at all times. Collaboration agreements were reached with airlines and handling agents to establish and define responsibilities of each of the stakeholders involved in the Plan and training documents were drawn up for all the personnel involved.

### **Strategic Institutional Plan and Modernisation of the Organisational Structure of the General Directorate of Civil Aviation and the Civil Aviation Technical Committee. Costa Rica**

The aim of this project is to present a diagnostic report and strategic plan for the institution and the modernisation of its structure.

These authorities are in charge of regulating, certifying, registering, controlling, supervising and promoting aviation activities and monitoring operational safety. Work has also been carried out to set up an organisation in charge of managing airports and air navigation services.

### Oman airport protection plan: aviation easements and land planning, Oman

Ineco is continuing its work on determining which areas are compatible and most suitable for urban co-existence between airports and their adjacent areas.

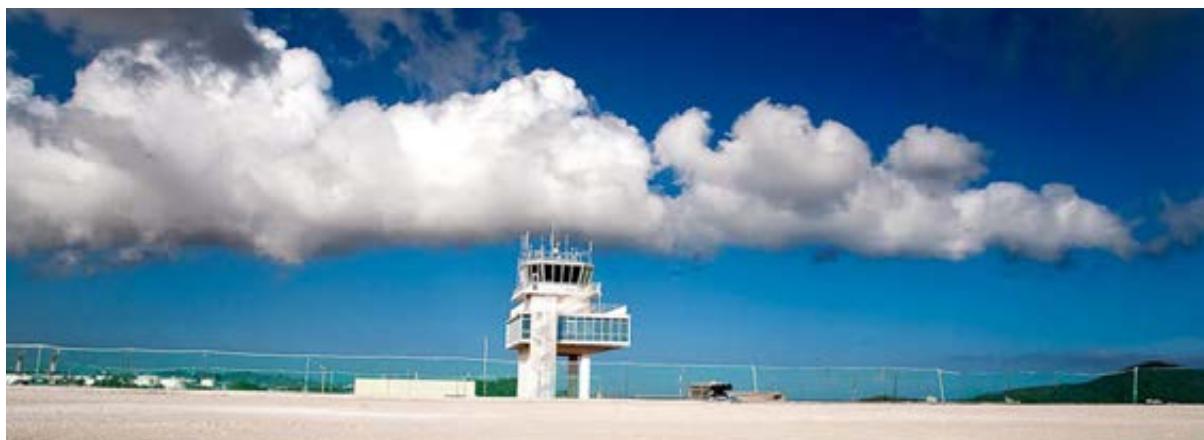
To achieve this, current legislation and appropriate amendments were reviewed in accordance with international standards; the plan also defined height and land use limitations in areas around Oman's airports and their radio facilities. Specific studies were carried out for the airports at Muscat, Salalah, Sohar and Al-Duqm. From among the main points that were studied, emphasis should be placed on obstacle limitation surfaces, protection areas for radio facilities, the definition of land uses in the immediate surroundings to avoid attracting birds, the establishment of land uses based on noise impact and the definition of safety areas at the end of runways. An in-house GIS application was developed to support analyses and the decisions taken by the Omani authorities; three-week training courses were given.

### Passenger terminal at Odessa airport, Ukraine

Drawing up designs for the construction of a new passenger terminal with a surface area of 20,000 square meters at Odessa airport (Ukraine). The design includes the general construction plan and architectural design, as well as designs for structures, equipment for electrical and power installations, internal and external wiring networks and for the building's mechanical equipment.

### Functional Design for Ibiza airport, Spain

Technical assistance for the control and monitoring of work to extend and remodel the terminal building at Ibiza airport. The extension will provide for more baggage carousels and two new boarding gates. It will also provide for 15 new check-in counters, more office areas and more space in general in arrivals and departures, the baggage collection hall and the check-in area.



## AIR NAVIGATION

### Reorganisation of Moroccan airspace

One of the main aims of the Morocco Air Navigation Development Plan is to handle future increases in air traffic in this country. As part of the plan, Ineco has designed new routes and control sectors that will allow management of anticipated traffic levels.

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In order to tackle this project, the work has been split up into the following three phases: system assessment; simulation, forecasts and efficiency; and the implementation plan. Phase I was carried out in 2011 and included a study to determine runway and taxiway capacities at Morocco's major airports. Also during this phase, the current capacity of the air navigation system was analysed and traffic was estimated across various different timescales, taking into account scenarios of high, medium and low traffic levels.

## SESAR. Europe

SESAR (Single European Sky ATM Research) is a European programme whose aim is to implement a high performance air traffic management network with a lower environmental impact by 2020 as part of the Single European Sky initiative.

In 2011, Ineco has continued to provide technical-operational assistance and support for the execution of operational and cross-sector projects currently in progress (related to the performance and upkeep of the master plan). As in 2010, it has also provided support for the management of the entire SESAR programme, particularly Aena's leadership of the airport operations package.

Furthermore, through a bilateral agreement signed with Aena in 2010, Ineco has begun participating in the programme as an associate. The agreement involves both technical contributions (on matters ranging from airspace complexity management and the development of 4D trajectories to ATC supervision systems, etc.) and management (Air Safety Nets, Implementation of GBAS Cat I, etc.). It extends to 38 operations, systems development and cross-sector projects (mainly on environmental issues, cost/benefit analyses, human factors and validation). Special mention must be made of the operational validations of the PRNAV concept, carried out in conjunction with Aena in the TMA of Madrid.

## Eldorado control tower, Bogota. Colombia

The aim of this project is to draft the technical specifications, budgets and technical annexes for the CNS/ATC systems, as well as the transition plan for the commissioning of the new systems to be installed in the control tower at the Eldorado International Airport.

As part of the execution of this project, a study was performed of the current CNS/ATC systems to determine which new systems will be fitted in the new control tower at the Eldorado Airport to best respond to operational requirements, air traffic flow densities at the airport, the optimisation of the operability of the two runways and anticipated future traffic levels.

Similarly, other preliminary aspects have been analysed, such as the operational limits of the height of the new tower and the implementation of the apron management service. Based on all of these studies and on Ineco's knowledge of these types of projects, the requested technical specifications, budgets and technical annexes for the CNS/ATC systems were delivered, together with the requested transition plan.

## Provision of Air Traffic Services (AFIS/ATC) and Apron Management Services (AMS). Spain

In 2011, Ineco renewed its certification as a service provider for AFIS (Aerodrome Flight Information Service) and ATC-TWR (Aerodrome Control Service) until 2016.

The company began in 2010 providing AFIS services at the airports of La Gomera and El Hierro. This area of activities was consolidated in 2011 with the incorporation of the airports of Burgos and Huesca. Furthermore, the ATC service provided at the El Hierro tower since 2010 was consolidated with the training of 15 new air traffic controllers during the course of the year.

In 2011, Ineco also began providing an Apron Management Service (AMS). This airport service involves the management of aircraft taxiing on the apron towards the manoeuvring area, or taxiing from said area towards parking. Madrid-Barajas airport has subcontracted the provision of this new service to Ineco, which was opened at terminal 4 at the end of the year.

Thanks to Ineco's certifications for the provision of AFIS and ATC services and due to the fact that it is the only Spanish company certified to provide AMS services, it can offer these services for operations at any aerodrome in other EU member states, as the certification granted by AESA (Spanish acronym for: Spanish State Aviation Safety Agency) is valid across the European Community.

### **GIANT 2: EGNOS ADOPTION IN THE AVIATION SECTOR. Europe**

A European project, forming part of the European Union's Seventh Framework Programme for Research, Development and Innovation, for the introduction of satellite navigation in the aviation sector, specifically for corporate aviation, general aviation and search and rescue helicopters.

### **ACCEPTE: ACCELERATING EGNOS ADOPTION IN AVIATION. Europe**

A European project that is part of the European Union's Seventh Framework Programme for Research, Development and Innovation, focusing on providing the EGNOS European satellite navigation system for guiding aircraft during approach and landing phases.

The aim of ACCEPTE is the creation of more than 70 procedures known as LPV (Localizer Performance with Vertical guidance) at 40 airports in 12 different countries, including France, the United Kingdom, Italy, Portugal, Switzerland, Finland, Netherlands, Austria and Spain. In addition, more than 40 aircraft have been equipped with the avionics required to fly with this type of procedures.





## Railways

### A GREAT EXPERIENCE IN HIGH-SPEED OPENS UP NEW PATHS

Ineco has taken part in the commissioning of all Spanish high-speed lines. The company has collaborated on projects for the design or construction of all the lines, including Madrid-Galicia, Madrid-Comunidad Valenciana-Region of Murcia and Madrid-Extremadura. The company has also collaborated on the construction and maintenance of all the lines that are currently being operated.

This experience has led the company to export its work to other regions, such as the Istanbul-Ankara high-speed railway in Turkey and the viability study of the Howrah-Haldia high-speed corridor in India.

Throughout 2011, work was carried out on the bid for the Makkah-Madinah high-speed line in Saudi Arabia and the contract was signed at the beginning of 2012.

In conventional networks, Ineco has maintained its participation in all the project: from the preliminary studies to the maintenance and operating phases and including freight and passenger transport. Accordingly, special mention must be made of our participation in projects for the Atocha-Chamartin railway complex in Madrid.

Ineco has played a prominent role in projects related to urban transport, working on urban mobility and access to cities, the planning and drafting of projects and the definition of on-site technology and activities. Outstanding projects include the Caracas Metro in Venezuela and the Mumbai Underground in India.



Ineco has also worked on tramlines, such as the system in Tallin, Estonia and the light metro of Belgrade in Serbia.

Regarding rolling stock, Ineco has inspected the manufacture of all new trains in Spain and taken part in the full cycle of many of them, collaborating on projects that range from design to certification. In the international area, Ineco's projects include the supervision of train units for the Medellin Metro in Colombia.

A firm commitment has been made to innovation applied to the railway sector in the form of incident and works management systems. Examples include the work carried out for Railways in Morocco. Special mention must also be made of the deployment of the ERTMS protection system, independent safety assessment processes and the implementation of railroad energy efficiency plans.



## CONSULTANCY SERVICES

In 2011, Ineco has performed various transport planning studies in the railway sector for the high-speed, commuter, freight and urban transport networks.

Projects have been carried out in foreign markets, such as the viability study of the Howrah-Haldia high-speed corridor in India.

In Spain, Ineco has collaborated on projects that include the Special Territorial Plan Santa Cruz de Tenerife-Los Realejos and the Special Territorial Infrastructure Plan for the Fonsalia Railway.

In 2011, studies and analyses were carried out on railway operations, capacity, consultancy services and management support, demand, mobility and finance. In this sector, studies were also performed on the Madrid-Chamartin Railway Complex and its environmental impact and the urban aspects that affect the layout of the line were analyzed. The company has also monitored the collaboration on the financial structure of line 9 of the Barcelona Metro.

On an international scale, Ineco has been involved in projects such as the light train of Belgrade, Serbia; the light train of Lusail, Qatar; the study of the West-North Line in Kuwait; the Los Libertadores Railway Corridor in Argentina and the commuter train of Bogotá, Colombia.

Special mention must also be made of the study of the technical and action plan for the Atlantic Railway Corridor and the study for defining the medium-distance railway services that will be subject to public service requirements and the intermodal analysis of corridors, as well as the beginning of the study for modernizing the medium-distance Railway Services of Catalonia.

## PROJECTS

### Civil projects

As far as civil engineering projects are concerned, Ineco has supervised and, in some cases, drawn up the projects for the current high-speed lines: Madrid-Galicia, Barcelona-Figueres, Vitoria-Bilbao-San Sebastian, Madrid-Extremadura, Murcia-Almeria, Palencia-Santander, Palencia-Leon, Antequera-Granada, Cantabrian-Mediterranean High Performance Railway Corridor, Atocha-Chamartin railway connection, extension of the Atocha complex, Madrid-Valladolid-North line and the new high-speed access to Eastern Spain.

Platform projects have also been carried out at the stations of Plasencia-Fuentidueñas, Vilariño-Cerdejo, Herencia-Alcazar de San Juan, Palencia-Alar del Rey; track assembly projects in the sections of Xativa-Alcoy and Vilagarcia-Padron, among others; and gauge-changing projects.

Ineco has continued to supervise and coordinate the projects built for various clients, including the Ministry of Public Works, Adif, Public Works Agency of Andalusia and Canary Islands Railways.

The renovation and adaptation studies and projects for the most significant Iberian gauge lines have included the removal of the Gijon railway barrier, railway access to the new terminal for the airport of Barcelona-El Prat and the Amoraima-Algeciras and Arenys-Blanes lines.

On an international scale, we can highlight the participation of the company in projects such as the Milan-Limbiate tramway in Italy; the Tallin tramway in Estonia; the informative study of the Howrah-Haldia high-speed line in India and the Caracas Metro in Venezuela. Accordingly, it is important to highlight the company's participation in the Makkah-Madinah high-speed line project in Saudi Arabia.

In urban areas, Ineco has taken part in the high-speed entry to Barcelona, Madrid and Alicante, and in drafting projects for the metros of Barcelona, Seville, Valencia and Metropolitano de Tenerife.

Ineco takes an active part in projects for stations, control posts and structures. Refurbishment projects have been carried out on historic buildings, including the basic project for the new railway complex of Atocha in Madrid, and the station of Abando in Bilbao.

We have also taken part in projects for and the construction of rolling stock workshops, including those of Can Tunis, Fuencarral and Valladolid. We have also worked on maintenance bases such as the one in Santa Catalina.

### Installation projects

In the area of installation projects, we have continued to develop power-dimensioning works, electrical traction substations, catenaries and remote power control on high-speed tracks and conventional networks.

In high-speed lines, we have worked on power projects for the lines of Vitoria-Bilbao-San Sebastian and Murcia-Almeria and the study of the use of regenerative brakes for power recovery in the Madrid-Eastern Spain line.

In the area of conventional network lines, the main electrification works have been the extension of the Leon-Villaquilambre tramway, the power supply management and efficiency studies for the Madrid and Barcelona commuter lines through the installation of the ERTMS/GSMR and the new multi-voltage traction substation (25 kVAC, 20 kVAC and 3 kVAC) at the Renfe workshops in Valladolid.

Continuing with its involvement and participation in innovation projects, Ineco has drafted the project for the installation of a bi-directional power transmission system in Bobadilla, CONVERFER, between Adif's high-speed and conventional railway lines.

Ineco has taken an active part in signalling and communications projects, developing signalling installations, train detection and protection systems using ERTMS systems, fixed telecommunications, GSM-R mobile communications and traffic control centres for all types of lines, as well as projects for the adaptation of safety installations on conventional network sections.

In these projects, Ineco has also worked on defining the general power supply works and distribution network for the various own consumers and for those associated with said installations, the construction of technical buildings and civil protection and safety systems: video surveillance, entry control, burglar protection and civil protection in tunnels.

The main high-speed lines on which Ineco has worked have included the Central and Transversal Railway Lines of Andalusia.

On the conventional network, the main actions have been carried out on the Puertollano-Vilanueva de la Serena, Prat de Vilanova and CTC (Centralized Traffic Control) Alcazar-Albacete sections.



## GROUND ENGINEERING

In 2011, Ineco continued to develop several activities related to ground engineering, with an important increase in works related to tunnels on international projects. In this regard, we must highlight the preliminary design of the London-Birmingham high-speed line in the United Kingdom.

Ineco has continued its work on the calculation of structures, bridges and viaducts. In this area, the company has been involved in large structures, such as the viaducts of the North-Northwest high-speed corridor that connects Madrid with Galicia, those of the Vitoria-Bilbao-San Sebastian line in the works on line 3 of the Seville Metro.

Other important works have included the construction of railway workshops, such as the project for the testing and experimentation laboratory of the station of Bobadilla, associated with the Antequera rail ring in Malaga.

## TECHNICAL ASSISTANCE AND WORKS MANAGEMENT

Ineco has taken part in numerous construction and line refurbishment projects, including high-speed and conventional networks, and in urban transport projects through services such as work site management, control and monitoring, health and safety coordination, supply logistics, quality audits and the standardization of projects built as a preliminary phase to maintenance.

To provide these services, we have used our own innovative software tools, such as SIOS, which manages work site data in real time via the Web.

In the area of tunnel work, we have also provided technical assistance and support for work site management, with the participation of experts in building methods.

Importance must also be placed on projects that include the construction of the Spanish Madrid-Levante, Barcelona-Figueres and Madrid-Galicia high-speed lines and, on an international scale, the supervision of the work for the Istanbul-Ankara line in Turkey.

Ineco has carried out work site management projects, health and safety control, surveillance and coordination of the renovation and adaptation of the Conventional Gauge Network (Spanish acronym: RFIG) and various contracts for other clients, such as the Mostoles-Navalcarnero commuter line project in Madrid and that of Alboraia in Valencia.

In the area of installation works on high-speed lines, Ineco has worked on the control, monitoring and project management of traction electrification work, including catenaries, 2x25 kVAC power supply systems, switch point heaters, tunnel lighting, power supply along the entire line, traction substations, auto-transformation centres and the remote control of said systems.

Technical assistance has been provided for controlling the signalling installation works, train detection and protection systems via ERTMS levels 1 and 2, fixed and mobile communications, installations required for centralized traffic control and the integration of components, buildings and associated systems.

By providing technical assistance or assuming the management of the works, Ineco has taken part in the deployment of all the CRCs (Control and Regulation Centre) of the high-speed lines that have been commissioned to date. Ineco also collaborates on drawing up the requirements for said lines.

On the conventional network, technical assistance has been provided in refurbishment and modernization works on different track sections to improve the catenary and, consequently, operating safety conditions and system reliability. The main works have been carried out on the Reinosa-Barcena and Torrelavega-Santander sections and the commuter service of Seville.

We have provided technical assistance for controlling the works, including technical support for the development of the functionality of the ERTMS system for adaptation to the commuter lines in the area of Madrid.

We have provided assistance for controlling the works at the second phase of the GSM-R mobile communications system installation and the reinforcement of the power supply system for safety and communications installations on all of Barcelona's core commuter lines.

Finally, Ineco has provided assistance for the implementation and development of the DICOM dual system used for train-ground-GSMR communications in the commuter area of Santander and Bilbao, actively participating in all the preliminary functionality tests on the model installed at Madrid-Atocha.



## OPERATION AND MAINTENANCE

In the area of operation, Ineco has collaborated on the commissioning of the main projects carried out in 2011, including the Ourense-Santiago line, which is on the Madrid-Galicia high-speed line.

We have continued to participate in the scheduling, control and monitoring of all the high-speed lines that were already in operation, in the infrastructure subsystems, superstructure and power supply installations, signalling and communications. We have also been involved in high-performance corridors, such as the Mediterranean corridor, and in the maintenance of gauge changers.

Since it was commissioned, these projects have been extended to the Ourense-Santiago high-speed line.

During operation, the company continuously supervises and manages the remote power supply and CRC communications of the high-speed lines by standing 24 hour watches, 365 days a year.

The team of technicians from Ineco support the management activities of the power grid and fixed telecommunications, GSM-R mobile communications, public operators, video surveillance and entry control with on-line monitoring via software and analysis of the alarms detected by the system, generating the corresponding reports, incident statements and requests, etc.

In reference to the conventional network, Ineco has been involved in the inspection and load testing of Adif's bridges and FEVE's metal bridges. Numerous load tests have also been performed on new bridges on the high-speed network and on the main line of Eastern Spain.

Ineco has continued its inspection works, adjustment and regulatory inspections of Adif's 3000-VDC electrical traction substations. Throughout 2011, 76 electrical traction substations were inspected and 111 inspections have been coordinated as per the schedule agreed with Adif's Energy Department.

In 2011, visual and thermographic inspection works have continued on 3-kVDC aerial contact lines on Adif's conventional network, the core commuter areas of Barcelona, Madrid and the Cadiz-Jerez section.

The GSM/GSM-R coverage measurements have been taken on the Madrid-Valencia and Motilla del Palancar-Albacete high-speed lines.

## SAFETY AND TECHNOLOGY

In 2011, Ineco performed safety life-cycle monitoring and independent safety assessments. Accordingly, Ineco has performed the monitoring, control and assessment of the processes that are to be carried out by the installations supplier to provide a third-party safety guarantee for its clients.

For this assessment, Ineco applies internal action procedures in accordance with the UNE ISO 17020 standard. They are integrated in the company's quality system as specific procedures and comply with the requirements of the CENELEC 50126, 50128, 50129 standard.

In 2011, these projects were carried out as part of the specific application of the command and control subsystem for the Ourense-Santiago de Compostela high-speed line, Madrid Commuter lines C<sub>3</sub> and C<sub>7</sub> and ERTMS N<sub>2</sub> on the Madrid-Lleida line.

Ineco has also provided technical assistance for the deployment of the ERTMS in the European Union. The ERTMS system has moved on from specification phase to operational phase in just a few years. Throughout 2011, Ineco has collaborated on its implementation in Spain and across the European network.

The work completed by Ineco has focused on defining national specifications, providing technical assistance for Renfe and Adif and participating in the validation and certification processes.

During the validation process, Ineco took part in all the complementary test campaigns defined for train-track integration. These campaigns are carried out on the track and in the CEDEX interoperability laboratory, with which Ineco works closely.

For the implementation of energy efficiency practices in all modes of transport, Ineco has invested in specializing in this area, where its comprehensive railway experience is a competitive advantage that allows the company to work on both infrastructure and material areas.

Accordingly, in 2011, Ineco continued its collaboration with Adif on all projects linked to the implementation of its Energy Efficiency Management Plan: technical definition of the measurements, viability analysis and monitoring of implementation and development.

In the area of rolling stock, Ineco provides technical assistance to Renfe for the implementation of efficiency measures, including the most relevant work, such as the technical definition of on-board measurement equipment and energy-saving measures. Ineco also carries out on-land and on-board measurement campaigns to compare the efficiency of the proposals and their possible generalization.

## ROLLING STOCK

In this area, Ineco's accreditation as an Inspection Entity for type C Railway rolling Stock, awarded by ENAC (National Accreditation Entity), was renewed in 2011.

Ineco has developed technical assistance services for monitoring the manufacture and commissioning of trains. The works carried out by the company have focused on monitoring the manufacture of the different vehicle series and taking part in the standard, series factory and track tests until they are commissioned for commercial operation.

Works have also been carried out in the area of certification and licensing of said vehicles for authorization for commissioning by the competent safety authorities, such as the collaboration with CETREN in various areas, especially those related to the licensing of vehicles as per the ETI for rolling stock. Accordingly, mention must be made of the work carried out in collaboration with CETREN on the licensing of the new high-speed train prototypes that are currently being developed in Spain.

In 2011, assistance has been provided for commissioning high-speed and gauge-change trains, medium-distance and Renfe cargo trains: UIC fixed-gauge series S112, S114; variable-gauge series S120.050, S121, S130; high-speed prototype S105, medium-distance series S449 and S599; locomotives series S253 and cargo wagons.

Work has also been carried out on technical assistance services for monitoring the manufacturing and commissioning of urban transport and commuter units. This work includes the various operators that are clients of Ineco, such as Renfe, Euskotren (Dual TD2000BB Locomotives), FEVE and Ferrocarriles de Andalucía.

The company maintains its involvement in projects of major technical complexity, such as the Tram-Train of the Bay of Cadiz and the Tram-Train for FEVE, where an in-depth study was developed to figure out how to make the railway track and tram tracks compatible. Finally, mention must be made of the work carried out for the metro of Medellin, in Colombia, and the Metro of São Paulo, in Brazil.

In 2011, technical assistance was also provided for the commissioning of trains from the following rolling stock for urban and commuter transport: Civia IV of Renfe; S900 units of Euskotren; S2700 and S2900 units of FEVE.

## ENVIRONMENT

In the area of the environment, Ineco has continued its work in the railway and urban transport sector.

The company has collaborated on the preparation of all the environmental documents for the projects for Adif and it has continued the work commissioned by the project environmental offices, with more than 1000 reports drawn up as a result of the work.

## ► MAIN REFERENCES

### Spanish high-speed network

In 2011, Ineco has been involved in all the phases of the different high-speed lines that are currently being operated and in those that are still being studied, designed or drafted.

The company has worked on the supervision of the platform construction projects of the North, Northeast and South high-speed lines. These contracts cover five line sections totalling 603 km of international double wide track and 59 subsections.

Worth mentioning in this area is the platform construction project in sections of the Vitoria-Bilbao-San Sebastian and Madrid-Galicia lines.

Ineco is also working on eight project management support contracts, drafting general and specialized reports and monitoring the basic and detailed design.

Ineco continues to design railway electrification systems based on power dimensioning studies that make it possible to define the electrical and mechanical specifications of the catenary, the location

and electromechanical installations, electrical equipment, protection, command and control and civil engineering required of the electrical substations and power supply lines. Ineco has also worked on the electrical substation of Bobadilla and the Vitoria-Bilbao-San Sebastián line.

Ineco has also helped prepare the execution projects for signalling installations, ERTMS train detection and protection systems, GSM-R fixed and mobile communications and the installations required for centralized traffic control. Accordingly, special mention must be made of the work on the Chamartin-Torrejon de Velasco section.

Ineco has taken part in twelve contracts involving the project management of platform works and two track section assembly projects for: Pajares tunnels on the Madrid-Barcelona-French Border, Vitoria-Bilbao-San Sebastian, Bobadilla-Granada, Madrid-Extremadura, North-Northeast corridor and Murcia-Almeria lines, the Atocha-Chamartin railway connection, the expansion of the Atocha complex, the Madrid-Valladolid-North line and new high-speed access to Levante.

Ineco has managed the electrification projects on all the high-speed lines built by Adif in 2011. Ineco has also provided technical support for the control and monitoring of the works for the Albacete-Alcantante line and the traction type substations for the Barcelona-Figueres section.

Technical control services have also been provided for the signalling installation works, train detection and protection systems via ERTMS levels 1 and 2, GSM-R fixed and mobile communications and installations required for the centralized traffic control of all the high-speed lines in Spain. Accordingly, the aforementioned projects have enabled the successful commissioning of the Ourense-Santiago de Compostela section in December 2011.



Ineco has been involved in the contracts for controlling the supply of railway track materials. This way, project management support services were provided, together with specialized consulting, monitoring and scheduling services and the control and monitoring of the complementary civil engineering in the Pajares tunnels.

Ineco has implemented traffic control, traction control services and functional testing during the assembly phase for tracks and installations completed by Adif for new high-speed lines.

Ineco has also monitored and controlled the scheduling and advance of the Madrid-Zaragoza-French Border line and coordinated the works in the core and surrounding areas. Support services have been provided for said corridor to monitor and commission the urban tunnels of Barcelona on the high-speed line between Sants and Figueres.

Work continues on four contracts for monitoring and controlling the maintenance of infrastructures, superstructures and power supply, signalling and communications installations for the Madrid-Seville; Cordoba-Malaga; La Sagra-Toledo; Madrid-Barcelona; Madrid-Valladolid; Olmedo-Segovia branch line; Madrid-Castilla La Mancha-Comunidad Valencia-Region of Murcia line. Work has also continued on contracts for the operation of the power supply and telecommunications systems for the lines mentioned.

Work is also being carried out on 35 contracts related to the development of track technology regarding technology and track elements, studies and analyses of noise and vibrations and inspection works.

## Railway complex of Chamartin and Atocha. Spain

Ineco has performed various contracts for studying the railway complex of Madrid-Chamartín and its effect on its surroundings and for the new railway complex project for the station of Atocha.

Work on the Madrid-Chamartin project includes preliminary functional and planning studies and the execution of the construction of phase 1 of the project. This project is to house the new terminal stations for the high-speed line to Eastern Spain and to allow the continuity of the Atocha extension works (non-terminal station) by absorbing part of the demand of the complex.

### *Works carried out on Atocha station*

The basic design of Atocha station includes a new underground station with four tracks and two platforms, to connect the future high-speed tunnel between the stations of Atocha and Chamartin with a new high-speed South access.

### ***Works on Chamartin station***

Ineco has developed the detailed design for the project for the extension of UIC-gauge tracks, platforms and hall at Chamartin station.

### **Istanbul-Ankara high-speed line. Turkey**

We have provided technical support for control and monitoring of works and work site supervision for the Inonu-Kosekoy section of this new high-speed line, which consists of a 533-km dual electrified track from Istanbul to Ankara.

The work includes infrastructures, superstructures, electrification and telecommunications, as well as new stations and maintenance installations.

It is worth highlighting the supervision of the signalling and communications equipment, including the ERTMS and the CTC, the supervision of possible changes to the equipment that was initially proposed in the project and the supervision of the project drawings with the designs for the line, proposing the modifications required to adapt the proposal to the solution that is technically more convenient.

### **Viability study of the Howrah-Haldia high-speed corridor in India**

Ineco has provided consultancy services for the viability study of the high-speed railway corridor between Howrah, the second largest city in India, and Haldia, the country's most important port. The locations are separated by a distance of 80 km.

The viability study of this railway corridor entails the preparation of a schedule for the line, the study of alternative routes and the best technological options.

The role to be played by competent government organizations will also be analysed, together with the development of the selected route, an initial assessment of the environmental impact, the calculation of the detailed operating and maintenance costs for the line and an alternative financial plan for commissioning the high-speed line.

### **Technical assistance for manufacturing and commissioning trains for Euskotren. Spain**

Ineco has provided technical support for project supervision, inspection of manufacturing processes and the commissioning of 30 metric-gauge EMU cars for Euskotren.

Ineco's works include the supervision of the development and the construction project, inspection of the quality assurance process, supervision of track tests, processing of the traffic authorization and monitoring of incidents recorded in each on the commissioned units.

## Tenerife South Train. Spain

In accordance with the Special Territorial Plan for the South Train, the project consists of connecting Santa Cruz de Tenerife with the Southern part of Tenerife island through a railway line of approximately 80 km.

Ineco has provided support and coordination services for the cartography, geology and geotechnic works, environmental process, platform construction and station projects, track and electromechanical assembly and the Quality Assurance Plan.

## Structuring of the commuter system for the capital region of Bogota. Colombia

Ineco has provided consultancy services for the commuter network of the Colombian capital city. More specifically, the company has inspected the technical and operational structures of the main commuter system of Bogota on the Western Corridor as awarded by FONDECUN (Project Development Fund of Cundinamarca).

This is the second project assigned to Ineco after the previous award of another contract for the studies and design of the stations in the corridor, including alternative locations and the traffic analysis of each area, etc.

## Refurbishment of line 1 of the Caracas Metro. Venezuela

Specialized support has been provided to the consortium of Spanish awardee companies for the management and integration of the refurbishment project of line 1 of the Caracas Metro.

Ineco has analyzed the compatibility and possible interfaces between the subsystems, both at project phase and operating phase, as well as the proposed solutions.

The company has also performed an analysis of the scheduling and technical coordination of the works. It has also monitored the testing of the installed systems, with a first set of tests on the CBTC system, as well as tests on the rolling stock, which will be inspected during the standard test phase and the track test phase.





### Medellin Metro. Colombia

Ineco has provided supervision and technical management services for the design, manufacture and commissioning of 12 train units purchased from CAF by Metro de Medellin with the option for upgrading to 14 units, together with the on-board (ATC) signalling equipment for the 24 drive cabs.

### Mumbai Metro. India

Ineco leads the awardee consortium for the supervision of the design and the construction of line 2 of the Mumbai Metro; the corridor that will cross the city from North to Southeast for 32 kilometres.

Ineco also provides consultancy services for the systems integration, depot, communications, ticketing and operation and maintenance for the Charkop–Bandra–Mankhurd corridor of the Mumbai Metro.

The works focus mainly on the approval of designs, drawings and specifications for all the subsystems, the monitoring of work progress, a quality assurance plan, approval of the operating and maintenance manuals, safety plan and test & trials assurance plan.

## Adaptation of passengers from commuter hubs. Spain

In 2011, Ineco took part in 38 project management contracts related to passenger stations for the commuter network.

The work includes an analysis of the work schedule delivered by the contractor and the approval of the human and material resources proposed by the contractor for carrying out the project properly and by the deadline.

Ineco has also been involved in the approval of the quality plan, the control plan, the quality of the materials, the proposed construction processes, work termination lists, work units completed and installations and equipment assembled, as well as the analysis and approval of any modifications to the project that are required during its construction.

In addition to drafting the layout verification certificate, Ineco has drawn up the information required for requesting the building licences from the corresponding organizations and their reception and delivery certificates, as well as the preparation of the reception certificate.

## Works carried out on the Tallin Tramway. Estonia

Ineco has provided technical support services for improving the tracks and electrical substations and for purchasing rolling stock for line 4 of the Tallin tramway in Estonia.

This line, which is in great demand and has a high level of occupancy during peak hours, needs to increase its capacity and improve service quality. Accordingly, a preliminary design has been developed along with the actions to be taken, consisting of improving the track and electrical substations and purchasing rolling stock. A preliminary analysis of the substations is performed, together with an alternative proposal and the new rolling stock is to include the purchase of 16 tramways.

## Design of the Milano-Limbiate underground tramway. Italy

Ineco has designed the Milano-Limbiate underground tramway to replace the existing tramway because it does not satisfy the frequency of existing demand and has a very old superstructure.

The design incorporates the urban redistribution of street viability and adapts pedestrian, vehicle and train traffic to increase transport functionality.

## Signalling diagrams of the Adif network in the CADIE tool. Spain

Work has been carried out with the new CADIE tool in 2011 to prepare and update the documentation of the Installations Programming Office for the high-speed and conventional networks. The aim is for there to be operating programmes available, together with the blocking strips for the railway lines.

The most significant work includes the preparation of station signalling and track diagrams, the parameterization of the parts of the stations and blocking sections and the obtaining of operating programmes for the facilities and the blocking strips.

### **Collaboration with CEDEX on ERTMS. Spain**

Ineco has collaborated with the CEDEX-LIF interoperability laboratory to provide technical assistance to Adif, Renfe and the Ministry of Public Works for their objectives and commitments regarding the ERTMS/ETCS system.

In 2011, Level 1 test campaigns were performed on the Madrid-Levante line with S130, S112 and S120 trains, on the Madrid–Lleida and Lleida-Barcelona lines with the S100, on the Ourense-Santiago line and in the Commuter area of Madrid. Level 2 campaigns were also conducted on the Madrid-Lleida and Cordoba-Malaga lines with the S112 train

### **Assistance provided for the installation of the DICOM system in the Commuter area of Bilbao and Santander. Spain**

Ineco has drafted the technical report, supervised construction processes and the various partial, integration and final tests on the installation of the DICOM system on the commuter network of Bilbao and Santander.

The tasks have focused on supervising the development and adaptation to the DICOM system, the installation of additional equipment as interfaces between the GSM-R network and the new system and the installation of new equipment next to each line chassis on the existing Train-Ground system of the Adif network.

This provides a solution for integration with the DICOM system and therefore allows for the supervision, control and administration of regulation bands.

### **Modernisation of the CPTM lines of São Paulo. Brazil**

#### ***Project management of the Investment Programme for the modernization and expansion of the entire metro-railway network***

Ineco has managed the São Paulo Trens e Sinalização (São Paulo Trains and Signalling) project, which has been financed by the World Bank and a consortium of Japanese banks led by the investment bank JBIC.

The project is being implemented by the STM (Metropolitan Transportation Secretariat of the Government of São Paulo) and its purpose is to purchase 40 trains with 8 cars each, together with the purchase and installation of signalling and telecommunications systems that allow for an interval of up to 3 minutes for lines 7 and 12 of the CPTM. It also includes the purchase of 17 trains with 6 cars each for the São Paulo metro.

## ***Refurbishment of the catenary in line F of the CPTM***

Ineco has drafted the detailed design of the refurbishment of the catenary and the detailed engineering of the installation of line F of the Companhia Paulista de Trens Metropolitanos (CPTM).

The work has focused on making all the electrical and mechanical calculations used to fully define the installation, the power supply systems and interfaces with other techniques.

## ***Supervision of the manufacture of rolling stock for line 11 Coral of the CPTM***

In 2011, Ineco has managed the project and supervised the manufacture and assembly of 9 Alstom CPTM commuter trains, participating in the verification of compliance with all the technical specifications and functional tests that guarantee that the client receives the trains with the required quality and by the deadline.

## ***Consultancy and support services for the supply and installation of the catenary in line 12***

Ineco has provided technical assistance for the renovation of the electrification of the Bras-Calmon Viana railway section on line 12 of the metropolitan railway of São Paulo.

The project involves obsolete electrification at 3 kV, which must be renewed with the track,. The corresponding engineering work will be carried out for the equipment, layout, measuring and presentation of parts and equipment catalogues.

## ***Collaboration with the ERTMS User's Group as a representative of Adif. European Commission***

As a technical representative of Adif, Ineco has taken part in the ERTMS User's Group, a European Economic Interest Grouping (EEIG) made up of European railways that provides technical support for the ERA (European Railway Agency) and the Commission for the development of the ERTMS specifications.

The main projects to be developed include the test campaign for the new DMI in accordance with baseline 3, support for the Change Requests group, participation in the Operational test cases group and collaboration on the WP6 test strategy assigned to the EEIG ERTMS UG by the European TEN-T agency.

## ***Railway traffic incident management system for Railways in Morocco***

The project consists of the development and adaptation of the Information Management System to provide Assistance for Coordinating Railway Operations, iCECOF, for its implementation in Morocco.

iCECOF is an application that helps to supervise and meet commitments to punctuality. It is integrated in the system for controlling and regulating Adif's DaVinci traffic for everything related to traffic incidents management.

The system includes incident logs, troubleshooting, categorisation and classification, as well as the impact of said incidents, creating a record of the trains that are affected and the actions taken.

It also analyses the causes and effects of the incidents to implement measures that prevent their re-occurrence. Furthermore, it explains and accounts for traffic delays, providing clear indicators of infrastructure behaviour.

### **Complementary studies of the definition of the international section of the Vitoria-Dax corridor. Spain and France**

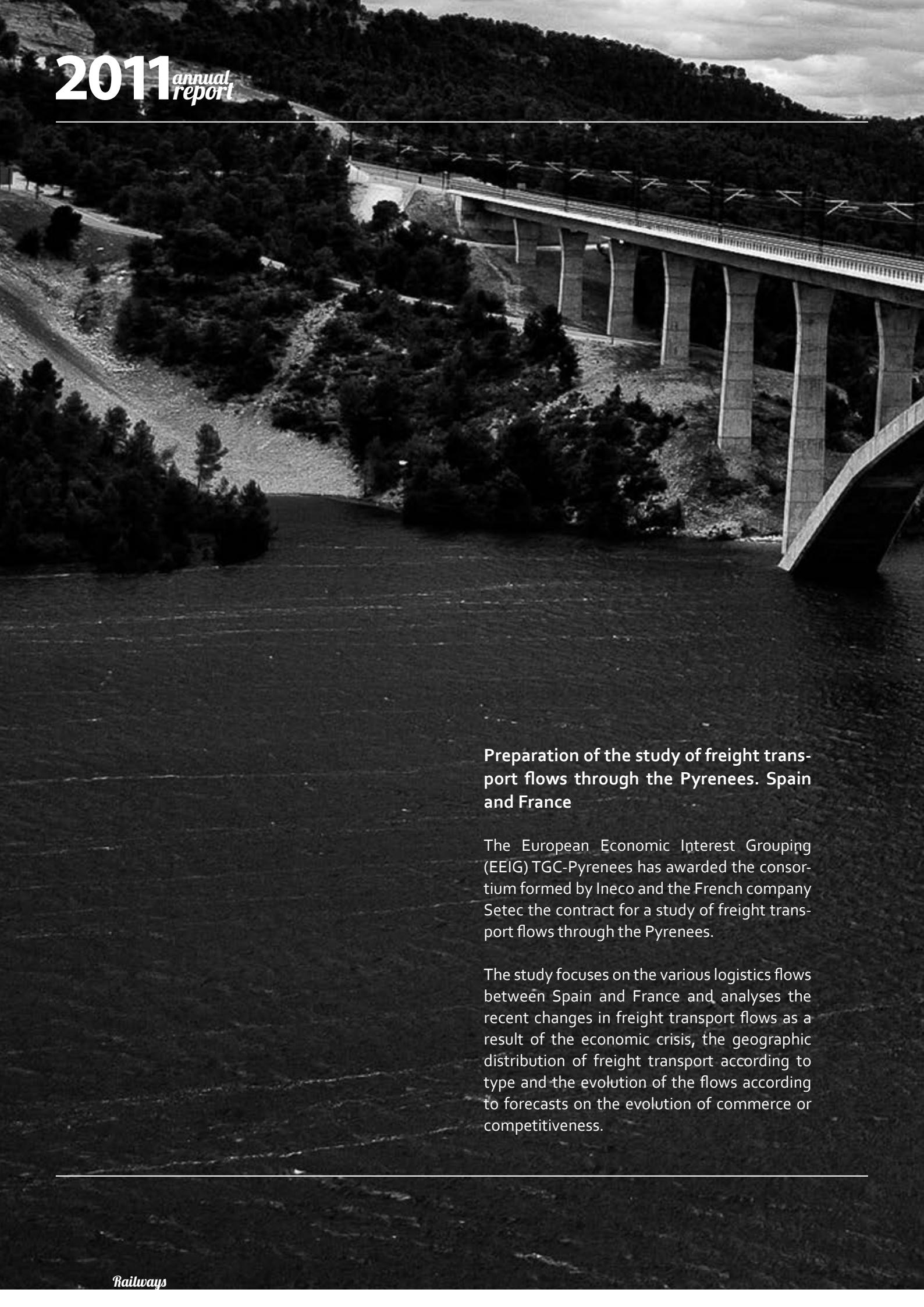
One of the European Union's interoperability projects focuses on the East-side border railway connection between France and Spain via the Vitoria-Dax corridor that connects the regions of Aquitaine and the Basque Country.

As part of the complementary studies for defining the international section of the Vitoria-Dax Bi-national Railway Union, a high-speed mixed-traffic line has been planned between Astigarraga and the South of Bayonne, together with several connections with the conventional line and the adaptation of the conventional line to the Astigarraga-Irun section.

Accordingly, an analysis has been performed on the functional definition of the section and the correction of the route to a scale of 1:10,000. The analysis has also focused on the various parts of a line of such specifications in accordance with European, Spanish and French regulations and practices.

The study also includes various railway operation scenarios in the corridor, focusing particularly on rail freight transport in the border area.

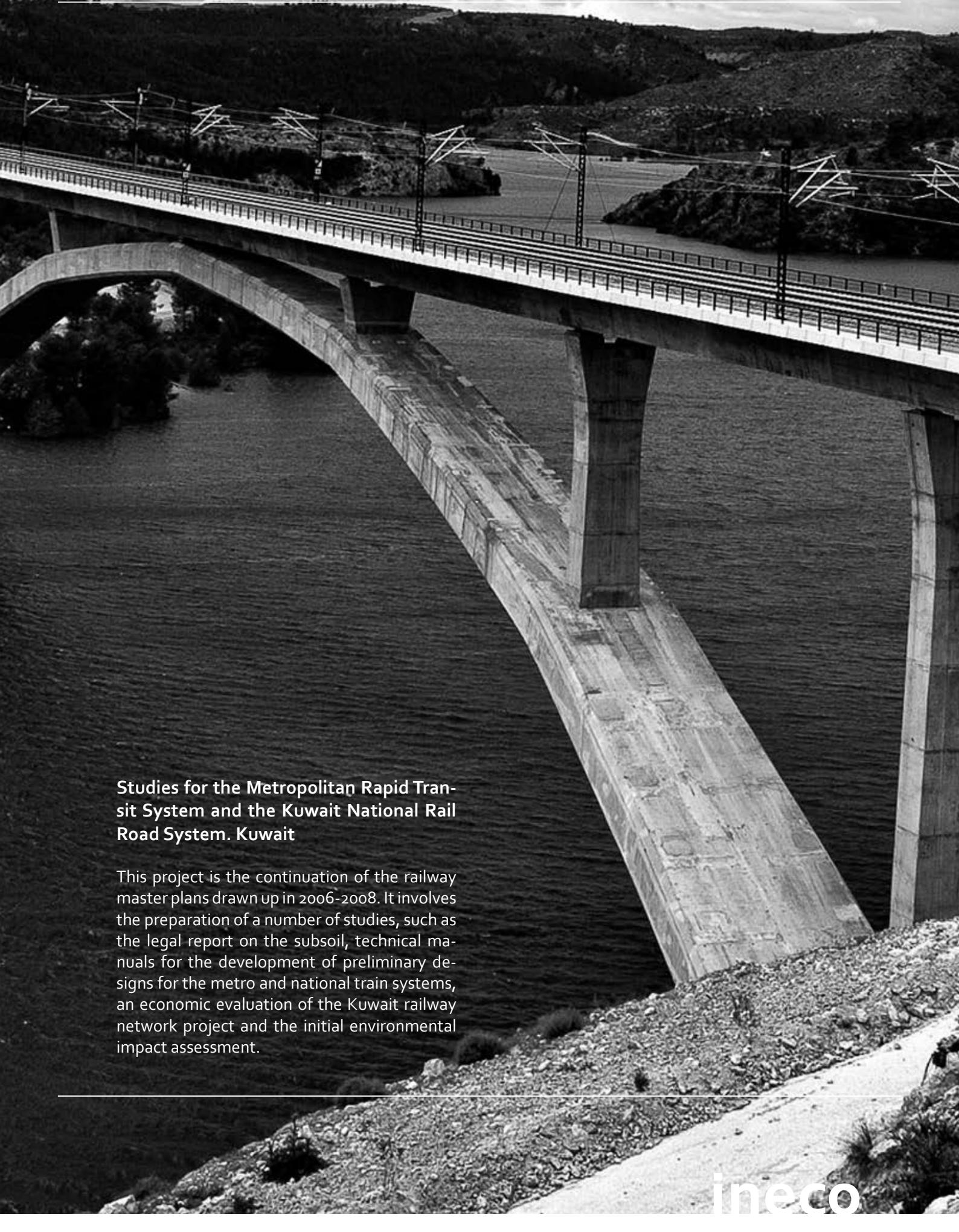




## Preparation of the study of freight transport flows through the Pyrenees. Spain and France

The European Economic Interest Grouping (EEIG) TGC-Pyrenees has awarded the consortium formed by Ineco and the French company Setec the contract for a study of freight transport flows through the Pyrenees.

The study focuses on the various logistics flows between Spain and France and analyses the recent changes in freight transport flows as a result of the economic crisis, the geographic distribution of freight transport according to type and the evolution of the flows according to forecasts on the evolution of commerce or competitiveness.



**Studies for the Metropolitan Rapid Transit System and the Kuwait National Rail Road System. Kuwait**

This project is the continuation of the railway master plans drawn up in 2006-2008. It involves the preparation of a number of studies, such as the legal report on the subsoil, technical manuals for the development of preliminary designs for the metro and national train systems, an economic evaluation of the Kuwait railway network project and the initial environmental impact assessment.



## Roads

### THE WORLD MARKET HAS TAKEN THE HIGH ROAD

Ineco has continued its business in road infrastructures throughout 2011, consolidating its relationship with its present clients and planning for new contracts, mainly on the international market.

Accordingly, Ineco's international business is up more than 40% in the area of road infrastructures and now boasts a portfolio strength of 43.1%.

As part of its business, Ineco is developing various construction projects for the Mexican highway system, positioning itself as a strategic reference for the Latin American market.

In Spain, Ineco has maintained its prominence in contracts for the Ministry of Public Works, which include the Plan for Upgrading First-Generation Highways and the corresponding technical services.

In 2011, Ineco has worked for other national clients, including projects for Spain's regional governments related to various segments of the national road network.

Our firm commitment to innovation has led to more projects in road safety, reinforcing European initiatives such as the Pilot4safety project or producing data systems as support for road works.



ROADS



## PROJECTS

On an international scale, Ineco has maintained and reinforced its business in the American market with new contracts in Mexico, including the upgrade study for three of the country's highway sign systems and its certification as Supervisor-Administrator Agent for the Guadalajara-Colima road section.

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In Spain Ineco has continued its collaboration with the Ministry of Public Works through management delegation agreements, such as the technical services programs for the Directorate General of Road Networks and with various state departments in Murcia, Catalonia, Madrid or Andalusia. Furthermore, works on the Plan for Upgrading First-Generation Highways is also on-going.

Projects have also started on a segment of the A-68 highway in Zaragoza and the A-38 in Valencia.

In 2011, we signed a management delegation agreement for the provision of technical services to the Ministry of Public Works to supervise end-of-works projects.

Ineco has continued to supply studies and project plans for various Spanish roads, including the high-volume link road between Toledo and Ciudad Real via the Viñedos Highway, the new map for the road network of Castilla-La Mancha, the upgrading, widening and improvement of bends in a segment of the C-242 road and the construction of the provisional access road to the new high-speed train station (AVE) in Villena, Alicante.

Ineco has also continued to provide technical services for project management, such as the upgrade of various segments of the A-30, N-152, N-420 and N-542 and the mapping and construction projects for the Veger-Oliva highway; the Navarra Highway, A-15; the Duero Highway, A-12; the Cieza-Font de la Figuera Highway and the upgrade of the urban segments.

## TECHNICAL ASSISTANCE FOR WORKS

Ineco has provided management and/or technical services for various work sites across Spain. Examples include the wildlife crossings for the A-474 and the A-481 highways, a project designed to safeguard the Iberian lynx in Andalusia, and control and surveillance services for a phase-IV segment of the ring-road for Gran Canaria and the Ibros-Ubeda section in Jaen.



## INTEGRAL MAINTENANCE

The firm has also won the integral maintenance contract for the Head of State Highways of Almeria. Ineco has over 10 years' experience as part of the joint-venture in charge of this project.

## ROAD INNOVATION AND SAFETY

In 2011, Ineco has maintained its commitment to road innovation and safety. Accordingly, the firm has worked with the Generalitat de Catalunya (Regional Government of Catalonia) to help it implement the European Pilot4safety initiative, which has been designed to develop the European Directive on safety in road infrastructures for secondary roads. The company has also taken part in an innovation project to create a data analysis and monitoring system for testing road surfaces.

## ► MAIN REFERENCES

### Improvement to the signal system on three highways: Mexico - Veracruz, Mexico - Irapuato and Mexico – Acapulco. Mexico

The contract has provided for an analysis of the current state of the signal systems on said highways, proposals for improvement, a comparative analysis of applicable Mexican and Spanish legislation, the drafting of proposals for improving the legislation, the planning of new highway signal systems, the training of Banobras personnel and the design of a signal management system.



## **Supervisor-Administrator Agent (Spanish acronym: AAS) for the 358 Guadalajara-Colima road section Trust. Mexico**

The project consists of the implementation of a new concession system for a strategic Mexican highway, which is the country's main East-West axis for road haulage of goods. The Supervisor-Administrator Agent (AAS) is key to the new system and controls, supervises and manages the operation and maintenance of the highway services. It also guarantees continuity and is responsible for hiring all the other agents and services for the highway as the customer's on-site representative.

## **The supervision of alignment and construction projects for urban segments and upgrades. Spain**

Technical project supervision services for the Subdirectorate General for Studies and Projects:

- ▶ South Huesca bypass.
- ▶ Third lane for the MU-30. A-7 link - MU-31 link.
- ▶ Third lane for the A7. Nules-Sagunto.
- ▶ Puertollano bypass.
- ▶ N-502 from Avila to Cordoba. Segment: Almaden bypass.
- ▶ A-2 highway, northeast road network. Segment: Maçanet de la Selva - Sils.
- ▶ North Murcia bypass.

## **Technical services contracts for the Spanish road network. Spain**

Technical support for state peripheral services (Murcia, Catalonia, Madrid and Western Andalusia) as part of central government's infrastructure operations.

## **Wildlife crossings and enclosures for the Iberian lynx in the Doñana Natural Reserve. Spain**

We have also worked on wildlife road crossings for the A-474 and A-481 highways. The project implemented various actions to improve wildlife crossings at eight points on the A-481 and A-474 near Hinojos (Huelva). Improvements have also been carried out on existing drainage works and new crossings were built only where structures were flooded all or most of the year.

The road perimeter has been closed off with sidings, plants have been set, dry embankments have been built and a new signal system has been fitted.

Furthermore, the firm has provided technical services for the sidings that have been built on the A-494 as part of the measures taken to protect the lynx. Segment: Mazagon – Matalascañas. The work includes lynx-type exclusion sidings, road vehicle and pedestrian gates and evacuation ramps should animals manage to get into the road enclosure, which is closed off by two sidings.

### Pilot4Safety. European Commission

The Pilot4Safety project is co-financed by the European Commission's DG MOVE program. Its aim is to apply the areas targeted by Directive 2008/96/EC on road infrastructure safety management in the training and skills of road safety experts and "Road Safety Audit" and "Road Safety Inspection" procedures for secondary roads. The main objective is to share good practices and define a common study plan to provide tools for training road safety experts across Europe.

### First-Generation Highway Upgrade Plan. Spain

Ineco has provided support for the tender, coordination and monitoring of contracts and project management for First-Generation Highway concession contracts in Spain.

This includes technical support for tenders for new concession contracts and, once the contracts have been awarded, the supervision of the construction projects and the financial control of the concessions.

The ten concession contracts currently in force (1000 km of highway under concession) include the coordination of the works and the monitoring of how the highway is operated.

The concession operations are commissioned and monitored using 41 indicators that provide details on road and surface condition and quality.

### Alignment and construction of A-38 highway in Valencia. Spain

This entails the construction of a new 12-km highway that runs more or less parallel to the AP-7 and crosses it at two points. It has five junctions (one is made up of two semi-junctions joined by collector roads) and two 300-m tunnels (one per roadway). The land on part of the route is quite uneven and the entire segment has involved serious problems that affect the design of the longitudinal and transversal drainage.

### Alignment and construction of the A-68 highway in Zaragoza. Spain

This project involves the construction of a new 15-km highway that makes use of much of the N-232 (duplication, modifying the gradient but using the original bed). HGVs on the N-232 currently account for 50% of traffic and the alternative route for all heavy traffic is the AP-68 toll highway, which connects Catalonia with the North of Spain. The project has included the design of five junctions and one service-lane junction.

## Widening and upgrade of bends on the C-242. Spain

This project involves three actions along more than thirty kilometers of mountain roads: surface reinforcement, widening of the roadbed (to a minimum width of 9 m) and a bypass (to avoid towns and villages and correspond with contours). The complexity of this project stems from the need to design the actions while maintaining fluent traffic along the current road and minimizing land expropriations in what is mainly an agricultural area.

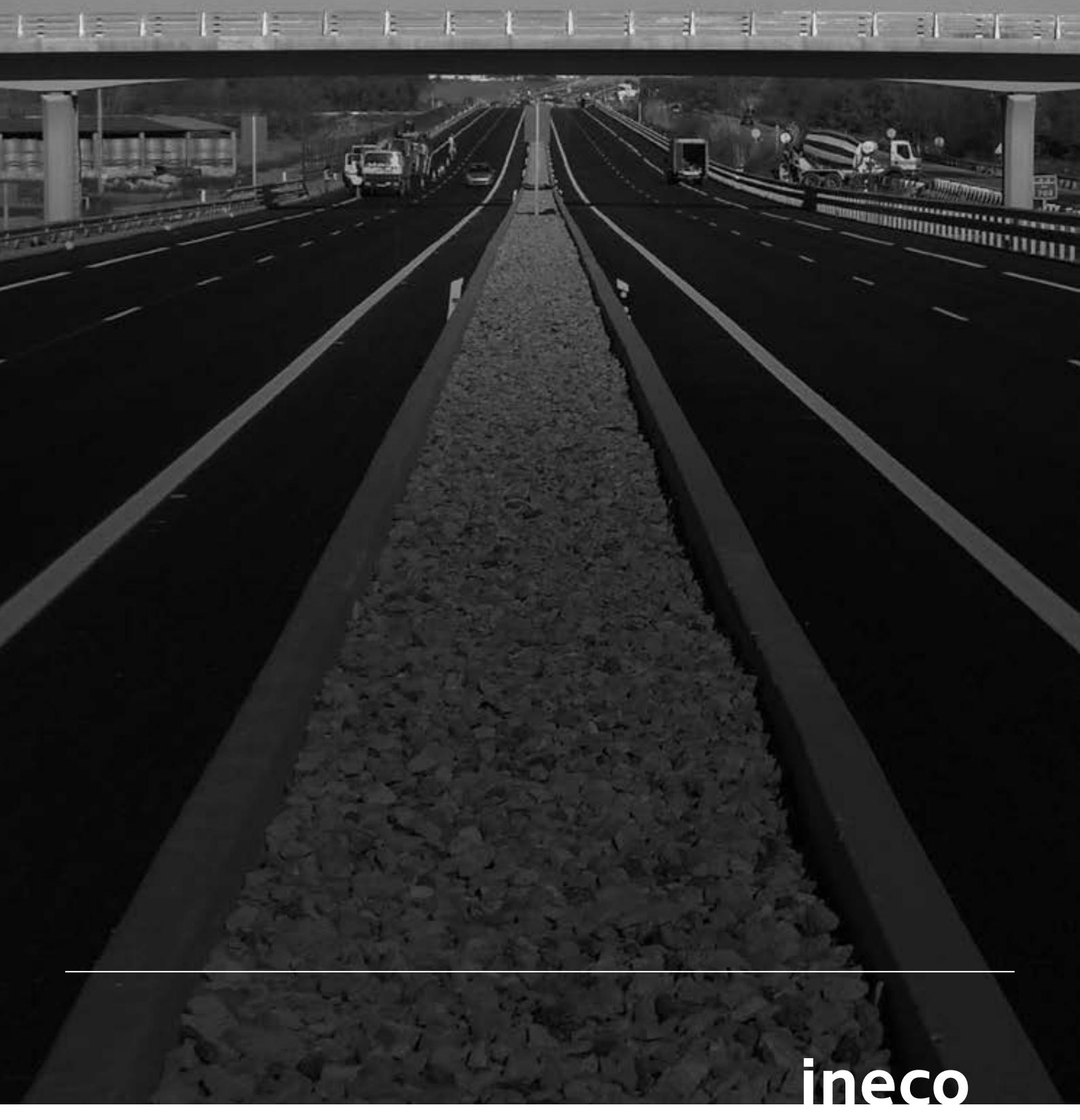
## New map of the regional road network of Castilla-La Mancha. Spain

Study of the road network plan of Junta de Castilla-La Mancha (regional government). This document is to show the current status of the two regional road network plans in place at the present time, taking the actions that are to be implemented as a starting point for a future highway plan.



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## *Transport planning and economics*

### *INTEGRATED TRANSPORT SYSTEMS*

Ineco has carried out different studies and projects on strategic planning and the transport economics for the railway, aeronautics, urban transport and roads sectors, as well as those related to inter-modal systems.

In 2011, the company drafted numerous transport planning studies, such as the National Transport Plans for Algeria and Costa Rica.

Ineco has also provided consultancy services to various public administrations and transport management companies on strategies and policies concerning actions related to mobility and infrastructures. The company has worked for them providing transport-related studies and management support services.





Furthermore, Ineco has continued to develop funding studies, working in particular on the promotion of public-private partnerships as a business model for transport infrastructures. Accordingly, we have collaborated with concession studies and provided consultancy services to financial entities, such as the technical, legal and financial structuring study for Flandes Airport (Colombia).

Various studies have also been conducted on intermodal platforms and railway accesses to commercial ports.

## TRANSPORT PLANNING

As it is an essential part of the transport development and organisation process, planning is one of Ineco's fundamental activities.

In 2011, numerous studies were performed on transport services and infrastructure. They include the completion of national transport plans for Algeria and Costa Rica and works being started on a Strategic Mobility Plan for Ecuador.

## TRANSPORT STRATEGIES AND POLICIES

Ineco has worked intensely on transport strategy and policy processes, providing consultancy services to the Spanish Government and infrastructures and transport service management companies for their strategy-preparation processes.

In this area, we would like to draw particular attention to the Technical and Action plan for the Atlantic Rail Corridor and the study for the definition of medium-distance railway services. Emphasis should also be placed on the analysis of intermodal corridors and the commencement of a study on the modernisation of medium-distance railway services in Catalonia.

## MANAGEMENT SUPPORT STUDIES AND SERVICES

Ineco has conducted management support studies and provided services to both public administrations and private companies. Among others, studies were conducted on a service to provide passengers with information about incidents affecting air and long-distance rail transport and legal and administrative consultancy services were provided to the Adif Centre for Railway Technologies on the procedures required for testing and experimentation facilities.

Similarly, consultancy work has been started on the analysis, development and implementation of an IT system for regulating costs in the energy sector.

On an international scale, emphasis should be placed on a master plan and the technical assistance provided during the tender process for the Shadadiya Industrial Area (Kuwait), as well as technical assistance and strategic and economic-financial consultancy services for setting up a consortium for the public-private partnership tender for the construction of the Kuwait metro.

## FUNDING STUDIES

Ineco has continued to develop studies on funding, real estate and public-private partnerships in the transport sector in Spain and abroad.

As part of these services, the company has drawn up viability studies for concessions and has provided consultancy services for the design and structuring of management models for the incorporation of private initiative into the management and funding of transport projects.

Furthermore, technical consultancy services have been provided to financial institutions on the structuring of project funding during the phases of construction, operation and maintenance. Particular attention should be drawn to the study for defining a business model and the contractual and financial structuring of a logistics base for the Spanish Ministry of Defence, technical consultancy services provided to the Instituto de Crédito Oficial (Official Credit Institute) for its FES Infraestructuras Fund and to the financial organisations behind three sections of line 9 of the Barcelona Metro.

On an international scale, special mention must be made of the technical, legal and financial studies for Flandes Airport (Colombia).

## INTERMODAL TRANSPORT

Intermodal transport is becoming increasingly important in the planning and management of passenger and freight transport systems. Accordingly, Ineco's projects have included studies on different intermodal logistics platforms and railway accesses to ports.



## ► MAIN REFERENCES

### **Incident Information Service for Air and Long-Distance Rail Transport Passengers. Spain**

Ineco has been commissioned by the Ministry of Public Works to design procedures for the implementation of an incident information service for air and long-distance rail transport passengers (Spanish acronym: SIIVTAF). The purpose of this service will be to inform passengers on services disrupted by any type of incident about the circumstances and scope of it. The service will also provide instructions on how to proceed, answering requests for information and keeping channels of communication open during the incident.

The preliminary phase of the study has analysed the existing systems that provide information to air and long-distance rail transport passengers, both in Spain and in other European countries. This phase also included a study of the Spanish and European legislation for its application and the presentation of conclusions and recommendations for the implementation of the SIIVTAF.

### **Technical and Action Plan for the Atlantic Passenger and Freight Rail Corridor. Spain**

The Atlantic Corridor is one of the priority corridors in the trans-European transport network, which, in Spain, runs from the French border with the Basque Country to the Portuguese border. It connects all the autonomous regions in the Northeast of the peninsula and provides access to all major Spanish ports on the Atlantic coast.

The plan identifies the actions required to improve the functionality of the railway network along the corridor and to attract traffic to the railway in order to achieve a more balanced distribution among modes of transport, both in terms of passengers and freight.

Finally, the actions defined in the plan are grouped into a number of action programmes: the high speed network, the basic freight network, intermodal logistic terminals, intermodal rail operations in ports and the interoperability of railway networks.

### **Drafting of the study on freight transport flows through the Pyrenees. Spain and France**

The TGC-Pyrenees European Economic Interest Grouping (EEIG) has awarded a contract to a consortium formed by Ineco and the French company Setec for carrying out a study of cargo transport flows through the Pyrenees.

The study, which focuses on the different logistical flows between Spain and France, analyses areas that include recent changes in freight flows as a result of the economic crisis, the geographical distribution of cargo transport by type and changes in flows based on forecasts for trade or competitiveness.

#### **Definition of medium-distance railway services subject to public service requirements and an intermodal analysis of road and railway service corridors. Spain**

The aim of the study is to provide support for the actions that the Ministry of Public Works plans to put in place regarding public service requirements for medium-distance railway services within the General State Interest Railway Network. Said services are currently provided by Renfe-Operadora.

The study makes a proposal for medium-distance railway services subject to public service requirements and based on an exhaustive analysis of the supply and demand of the services operated by Renfe. It also includes an analysis of economic information about costs, revenue and operating profits/losses provided by the operator company.

As a result, the environmental, social and economic criteria for the use of the services have been defined, along with the passenger recurrence and coverage coefficients that justify the implantation of public service obligations for medium-distance railway services. Ineco drafted the proposal on the basis of these criteria.

Finally, the company has carried out an intermodal analysis for each corridor, regarding medium-distance roads and rail public passenger transport services.



## **Modernisation of medium-distance railway services in Catalonia. Spain**

Ineco has been commissioned by the Ministry of Public Works to conduct a study for the modernisation of the medium-distance railway system in Catalonia. The study uses an inventory of the network (infrastructure, superstructure and stations) and the supply and demand for medium-distance railway services to analyse the medium-distance railway system in said region; it also considers service-modernisation targets and criteria. During the final phase of the study, proposals will be drawn up for actions to modernise the medium-distance railway system in Catalonia and the required investments will be evaluated.

## **Definition of a business model and the contractual and financial structuring of a logistics base for the Ministry of Defence. Spain**

In 2011, Ineco worked for the Ministry of Defence as part of the project for a single logistics base to combine all the activities that are currently carried out at various locations.

Within this framework, Ineco evaluated current costs and risks and those arising from the operation. The company analysed also the legal and contractual structure that will make the project possible, defined the business model to be implemented and detailed the project procedures.

## **Remodeling of five stations of the Office National des Chemins de Fer (ONCF) in Morocco**

The ONCF plans to modernise five railway stations before the completion of the high-speed line and has commissioned various companies with the required studies (analysis of the real-estate market, urban integration, business model, etc.) and the subsequent preparation of the projects.

Ineco will assist the Moroccan organisation with the supervision and control of the works. The company will also provide support by drawing up studies and technical documents for the project.

## **Technical due diligence studies for international financiers**

In 2011, Ineco participated in the drafting of technical due diligence studies for projects for international financiers. This included a project for the finance company Gunvor International B.V Geneva Branch, consisting of a technical, economic and financial evaluation of the viability of a railway system for transporting barrels of crude oil from the interior of Colombia to the Atlantic port in the city of Santa Marta.



**Technical, legal and financial structuring  
for the privatisation of the Santiago Vila  
de Flandes Airport, Tolima, Colombia**

The extension and privatisation of the Santiago Vila de Flandes Airport (Colombia) is an opportunity for regional development thanks to its consolidation as an international terminal supporting targets in the areas of competitiveness and exports in central Colombia.

Ineco is providing assistance throughout the technical, financial and legal structuring process to achieve strong institutional and economic support to upgrade the perfectly located airport (near Bogota, in the centre of the country) to modern international standards. The airport will promote the city as a point of reference in Colombia and the aim is for it to bring about multiple developments in the region.

## Economic rebalancing for the stations on sections I, II and IV of the new line 9 of the Barcelona metro. Spain

As part of the works in line 9 of the Barcelona metro, Ineco was hired as an independent technical consultant for banks to conduct technical and economic due diligence studies for the project and its financing.

Owing to the difficult general economic situation in 2011, the government has been forced to propose and make contractual changes to concessions that have both technical and economical implications. These changes lead to economic rebalancing processes in which Ineco has taken an active part as a technical consultant for the banks financing the project.

## Infrastructure project run by the FES Infraestructuras Fund of the Instituto de Crédito Oficial (Official Credit Institute). Spain

Consultancy services for the technical project analysis, covering the transport infrastructure, energy and environment sectors, as well as social infrastructure and services.

The project covers the identification and allocation of technical and engineering risks, the evaluation of its technical solvency and eligibility criteria, support for negotiating the fund's participation in the projects and the subsequent supervision and monitoring of the construction and operation phase.



**Regulatory Cost Information System for the production of electricity under the special system. Spain**

Project developed for the Spanish National Energy Commission (Spanish acronym: CNE), aimed at analysing, developing and implementing a Regulatory Cost Information System applicable to companies that produce electricity under the special regimen.

With this in mind, the technical specifications of such technologies have been defined, the different criteria for breaking down and attributing costs have been analysed and various procedures have been developed to audit the information to be transmitted within this framework by those responsible for the facilities.

Similarly, a draft proposal for a CNE Circular has been prepared, along with technical instructions for making formal requests for regulatory cost information. For subsequent phases of the work, the plan is to develop an information system that compiles and processes all the information that is identified and places it at the CNE's disposal.



## **Master Plan for the Shadadiya Industrial Area and technical assistance during the tender. Kuwait**

This project belongs to an initiative promoted by the Public Authority for Industry (PAI), a Kuwaiti government organisation responsible for the planning and implementation of industrial policies.

It includes two phases: the first one consisted of drafting a Master Plan for the Shadadiya Industrial Area, incorporating all the requirements of and approvals needed from the various organisations and institutions involved (Ministries of Energy, Water and Transport and the Kuwait Local Government, etc.).

The second phase is to provide the administration in charge of the development (PAI) with technical assistance for the tender process. This includes the development of technical documentation for the preliminary classification for the tender for the design and construction of the aforementioned industrial area, the drafting of the tender specifications and the preparation of answers to bidders' questions during the tender phase. It also provides assistance for the PAI to evaluate bids and select the best contractor.

## **Assistance and consultancy services for setting up the consortium for the Kuwait Metro tender**

As part of the technical assistance given to Kuwait Metro Rapid Transport Company, in Kuwait, for the general planning of railway and metro networks, we set up a collaboration framework for analysing documents, developing presentations and/or holding meetings beyond the specific scope of the works under contract.

In particular, the agreement has included the provision of technical assistance and strategic and economic-financial consultancy services to the company to set up a consortium for the public-private partnership to participate in the tender for the construction of the Kuwait Metro.

## **Studies for the Metropolitan Rapid Transit System and the Kuwait National Rail Road System. Kuwait**

This project is the continuation of the Railway Master Plans drawn up in 2006-2008 and involves the drafting of a number of studies that include a legal report on the subsoil, technical manuals for the development of preliminary designs for the Metro and National Train systems, an economic evaluation of the Kuwait railway network project and the initial environmental impact assessment.



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### **Support to the Ministry of Public Works for updates to the PEIT. Spain**

Ineco has provided support for the Office of the Secretary of State for Planning and Infrastructures of the Ministry of Public Works, drawing up a Proposal Document for the Strategic Plan for Infrastructure and Transport (Spanish acronym: PEIT(a)). The aim is to integrate, update and complete the PEIT analyses and update the economic-financial timescale. Sectoral action programmes have also had to be reviewed.

To achieve this, the company has carried out the following works: the drafting of a Troubleshooting Chapter for the Proposal Document for the Strategic Plan for Infrastructure and Transport (PEIT), a review of the structure and content of sectoral action programs and the update and review of the economic-financial framework.

### **Strategic Mobility Plan for Ecuador**

Ineco is drafting a Strategic Mobility Plan for Ecuador for the country's Ministry of Transport and Public Works. The main objective of the plan is to provide support for the revitalisation of the transport sector, which is being given a major boost by Ecuador's present government in the form of significant investments.

Thanks to its extensive experience with similar projects, the company is developing a tool to serve as a framework and development guide for the entire transport sector, unifying efforts in the various subsectors to create a single transport system with high standards of quality, efficiency and sustainability.

Accordingly, Ineco has set up an office in Ecuador with the permanent presence of a project manager and support consultant; other experts are also collaborating intensively on the project.





**Consultancy services and support to Adif for the project titled Testing and experimentation installations at the Antequera Centre for Railway Technologies. Spain**

Consultancy work has been carried out for Adif on the procedures for the testing and experimentation facilities associated with the Antequera Centre for Railway Technologies. Within this context, technical-legal assistance has been provided for the sectoral, urban and environmental aspects of the project in accordance with the competent public administrations involved.

In particular, the project includes assistance from Ineco, which, for the first time, has supported the use of the Railway Service Zone figure, as provided in the Railway Sector Law.



### Extension of the Traffic Management System, Medellin, Colombia

Supervision and technical management of the extension of the Traffic Management System (TMS) of the Medellin Metro. Work consisted of the supervision and technical management of the supply, installation, commissioning, testing and optimisation of the operations management modules for buses in the TMS. These works enabled compliance with the requirements of the tender specifications published by Empresa del Transporte Masivo del Valle de Aburrá Limitada.

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# 2011 *annual report* ineco

[www.ineco.es](http://www.ineco.es)

# *Company culture*

**2011** annual  
report

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# *Company culture*

## INDEX

Strategy

Integrity, transparency and commitment

Committed to:

Customers  
Employees  
Society  
Environment  
Suppliers



## Strategy

*INNOVATIVE, EFFICIENT AND INTERNATIONAL*

### MISSION AND VISION

As a state-owned engineering and consultancy firm in the transport sector, our mission is to contribute to achieving the strategic goals of the Ministry of Public Works and to satisfy the needs of our shareholders and customers while generating a beneficial impact on society and providing a positive working environment.

Our vision is to be recognised for our comprehensive offering of products and services, productive excellence and technological and professional capabilities as the leading Spanish engineering and consultancy firm in the transport sector, both domestically and internationally, by our shareholders, customers, employees and by society as a whole.

### COMPETITIVE ADVANTAGES

Ineco's more than 40 years of experience allows it to provide high-value solutions, perform quality work and continuously introduce improvements. Our high degree of specialisation and the excellent qualifications of our team inspire confidence.



STRATEGY

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The innovative nature of the company gives us an enormous technological capacity and leads us to seek and apply the most advanced systems and to continuously adapt and develop new solutions.

Its impressive track record, financial solvency, strong shareholder base and adaptation to the market make Ineco a sustainable company. It is also a flexible company that knows how to adapt to the needs of customers, the different international markets, and to pursue its activities in all modes of transport.

Moreover, Ineco is, above all, a responsible company that is committed to its customers, shareholders, employees, suppliers and the environment. Our vocation for service and bettering society is based on ethical and responsible conduct.

## Values



## STRATEGIC LINES

Ineco's activity focuses on satisfying and fulfilling its commitments to its customers, employees, suppliers, society, shareholders, environment and main stakeholders. It has defined four major strategic lines to guide its activities and development as a company:

**Responsiveness and excellence with shareholder customers.** The aim is to strengthen relationships from the standpoint of public engineering and to improve quality and service in our work in the continuous search for excellence and customer loyalty.

**Innovation.** Focused on developing and managing new value-added solutions that satisfy and anticipate the needs of our customers with the participation of our employees and the customers themselves.

**Efficiency: process, organisation and people.** To improve Ineco's coordination and efficiency and to develop our staff and thereby guarantee the achievement of our objectives.

**International development and other non-shareholder customers.** The strategic objective is to boost international activity by reducing the concentration of current customers and diversifying business risk. At the same time we aim to support the Spanish Government's activity abroad in the area of transport, with Ineco acting as both a supporter and catalyst for Spanish engineering.

### *International development and other non-shareholder customers*

| SHAREHOLDER CUSTOMERS, RESPONSIVENESS AND EXCELLENCE.  | INTERNATIONAL DEVELOPMENT AND OTHER NON-SHAREHOLDER CUSTOMERS  | INNOVATION  | EFFICIENCY: PROCESS, ORGANISATION AND PEOPLE  |
|--|--|---|---|
| <p>Strengthen relationships with shareholder customers from the standpoint of public engineering by developing new and taking full advantage of existing business opportunities, and improve quality and service in our work in our continuous search for excellence and customer loyalty.</p> | <p>Boost international activity and pursue activities with other non-shareholder customers by reducing the high concentration of current customers and diversifying business risk. Support the foreign activities of AGE in the area of transport as a catalyst for Spanish engineering.</p> | <p>Boost the innovation model with a focus on the development and management of new value-added solutions that satisfy and anticipate customers' needs, with the participation of employees and customers themselves.</p> | <p>Improve Ineco's coordination and efficiency, as well as develop the people needed to guarantee achievement of the objectives defined in this Strategic Plan.</p> |

## INTERNATIONAL PRESENCE

The company has implemented an ambitious Internationalisation Plan, within the framework of the Strategic Plan, with the objective of promoting greater activity in the foreign market. This plan's lines of action will strengthen the firm's traditional activity, already developed in 30 countries, and expand its customer portfolio.

The strategic objective defined for the international arena involves the following key aspects, included in this Plan:

**Ineco as an instrument of international development** of the Fomento Group.

**Ineco, an integrator of Spanish technological capabilities.** One of the reasons for the existence of a state-owned engineering firm is to support Spanish technology and companies as in the model of European state-owned companies.

**Corporate Sustainability.** Diversification of the risk represented by the concentration in the current business and maintenance of know-how by developing:

- ▶ **Competitive capacity** as a company, which will enable us to test and refine our professional capabilities in a complex market.
- ▶ **Technical and management capacities** by working on different scenarios, with heterogeneous cultures and methodologies.
- ▶ **Technological capacity and innovation**, given that the international market imposes greater demands to measure up to the leading international engineering firms, thus improving our service to shareholders.
- ▶ **Prestige with our clients and shareholders in the domestic market**, as international projects are highly valued domestically.

The International Plan is being developed in strict observance of Ineco's Corporate Responsibility principles and policies, particularly:

- ▶ Standards for Integrity, Transparency and Commitment which include the Code of Conduct and the Policy on Zero Tolerance for Corruption.
- ▶ Observing and complying with the Ten Principles of the Global Compact, a commitment assumed by the company years ago.

All of this constitutes an action framework that defines and guides the company's activities and, therefore, that of its employees abroad.

## INTERNATIONAL PRESENCE

Ineco has significantly increased its international presence, pursuing its activity in Algeria, Egypt, Morocco, Cape Verde, Ethiopia, Mauritania, Costa Rica, Jamaica, Mexico, Brazil, Colombia, Ecuador, Peru, Venezuela, India, Turkey, Denmark, Estonia, France, Italy, Kosova, Poland, United Kingdom, Ukraine, Qatar, United Arab Emirates, Kuwait and Oman.

STRATEGY

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STRATEGY

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## ***Integrity, transparency and commitment***

### ***DESIGNING SUSTAINABILITY***

Transport infrastructures have an extremely important impact on the progress of societies as they improve communication and bring wealth to a territory.

The Ineco team is aware of this opportunity to add value in each project, and thus it pays special attention to sustainability, innovation and respect for the environment in each project.

The solutions put forth by the company are designed to satisfy the current and future needs of a global society, providing the necessary equilibrium between social, economic and environmental objectives.

Since it was incorporated over 40 years ago, Ineco has always taken into account laws and social needs, adapting its business conduct to each point in history.

Standing out among other commitments is its subscription since 2008, with annual renewals, to the Ten Principles of the United Nations Global Compact initiative. In 2011 Ineco obtained accreditation as an “advanced company” with the submission of its Communication on Progress of the United Nations Global Compact for 2010. This represents the highest possible level of implementation of the principles, transparency and degree of information in its reports.



INTEGRITY, TRANSPARENCY AND COMMITMENT

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## A FRAMEWORK OF GUIDELINES FOR RESPONSIBLE BUSINESS PRACTICE

Advancing with this commitment, in 2011 Ineco approved the Guidelines for Integrity, Transparency and Commitment. This document describes the company's corporate policies, expanding and adapting them to the current international business context to prevent potential business risks. These guidelines contain the following policies:

- ▶ Corporate Responsibility Policy
- ▶ Code of Conduct
- ▶ Quality and Environmental Policy
- ▶ Zero Tolerance for Corruption Policy
- ▶ Transparency and Truth in Information Policy
- ▶ Harassment Policy
- ▶ Comprehensive Safety Policy

To apply these policies and procedures, Ineco has established a series of operating methods that define the necessary procedures, management bodies, acceptance, communication, applicability and possibility of making needed changes.

The following bodies are involved: the Ethics Committee, Internal Auditing, the Mediator and the Mediation Commission and, lastly, the Steering Committee.

These guidelines, policies and procedures provide management that is consistent with the company's values and compatible with the regulations in force, shaping Ineco's ethical commitment for developing relationships with its principal stakeholders:

- ▶ Global Compact Principles
- ▶ Guide to Environmental Best Practices
- ▶ Zero Tolerance for Corruption Procedure
- ▶ Basic project management procedure
- ▶ Harassment Protocol
- ▶ Recruitment procedure
- ▶ Guarantee of professional conduct procedure
- ▶ Works and services procurement and contracting procedure
- ▶ Tender submission and contract review procedure
- ▶ Internal auditing procedure

All employees of the organisation must know and comply with the Integrity, Transparency and Commitment Guidelines, which are available for consultation on Ineco's intranet.

Any qualified body or Ineco employee that considers that an infraction of any of these guidelines has occurred can communicate this to the Ethics Committee, which shall resolve any conflict in the application of the Integrity, Transparency and Commitment Guidelines. The purpose of this committee is to ensure compliance with and interpretation and updating of these guidelines.

Aiming at applying the company's ethics at all levels, the governance strengthens the communication of the Guidelines for Integrity, Transparency and Commitment.

## FOUNDATIONS OF EXEMPLARY CONDUCT

Through its Code of Conduct, Ineco establishes the foundations that guarantee adequate responsibility in its activities in terms of labour relations, equality and respect for workers' rights, the company's commitment and relationships with customers and suppliers. The Code of Conduct is applicable to the entire organisation and is available to all employees on the company's intranet.

Considering that the company's international activity is becoming increasingly important, fulfilment of the Code of Conduct is even more relevant, as it obliges all Ineco professionals to respect the Declaration of Human Rights and the laws of the countries they are working in.

The Code of Conduct is based on observance of the Ten Principles of the United Nations Global Compact and Ineco's Mission, Vision, Values and Corporate Responsibility statement, which complements them, and it constitutes a guide for action to ensure proper conduct in the professional performance of its employees.

Its aim is to identify and share the set of principles and recommendations regarding conduct whose adoption and application contribute to ethical and responsible management in the development of Ineco's products and services and in the relationships established with the different stakeholders.

### *Foundations of the Ineco Code of Conduct*

| LOYALTY TO THE ORGANISATION  | ADMINISTRATORS AND PERMANENT STAFF   | RELATIONSHIP BETWEEN PROFESSIONALS   | RELATIONSHIP WITH CUSTOMERS  |
|--|--|--|--|
| Reputation and loyalty to the company<br>Confidentiality<br>Dedication<br>Non-competition<br>Use of company resources<br>Health, safety and the environment<br>Relationship of professionals with other stakeholders | Knowledge and communication<br>Fundamental rights<br>Confidentiality<br>Professionalism<br>Economic-Financial<br>Hiring, training and promotion<br>Diversity and work-life balance | Respect for individuals<br>Non-discrimination<br>Cooperation and collaboration | Relationship with suppliers and collaborator companies<br>Relationship in the international context<br>Legality<br>Transparency and truthfulness of information<br>Gifts, rewards and bribes |

## COMMITMENT TO STAKEHOLDERS

The Integrity, Transparency and Commitment Guidelines also provide operational methods for guaranteeing that the company's activities are consistent with its core values and compatible with regulations in force, overseeing Ineco's ethical commitment to guarantee proper development of the relationships with its main stakeholders. All of this is reflected in the Corporate Responsibility Policy.

The selection of stakeholders is the product of an internal debate to obtain the contribution of those whose decisions or actions influence Ineco's activity and vice versa.

To guarantee the commitment and critical participation of all of them, Ineco has designed multiple channels for communication and dialogue. One of the most powerful tools is the company's corporate website, which encourages fluid and motivational communication and provides the necessary space.

Company management is grounded in certain core values that underpin its corporate responsibility policy on the basis of responsibility, sustainability and business ethics.

Ineco is strongly committed to Corporate Responsibility and to its consolidation in its global strategy to foster an even stronger commitment to the governing principles. Thus the company has a CR policy characterised by an explicit commitment to its customers, shareholders, employees, suppliers, the environment and society.

With the aim of preserving and promoting these values, Ineco will reinforce communication of its Corporate Responsibility policy through the company website.

### *CR Policy: commitments made by Ineco*

|   |   |   |
|---|---|---|
| <b>CUSTOMERS</b>  | <b>SHAREHOLDERS</b>   | <b>EMPLOYEES</b>  |
| Excellence in quality and service<br>Commitment to long-term success<br>Continuous dialogue and relationship of trust<br>Confidentiality and objectiveness<br>Decisive commitment to innovation                   | Creation of sustained and sustainable value<br>Efficient management<br>Profitability and transparency   | Increase in well-being and progress<br>Decisive commitment to innovation, research and the dissemination of knowledge<br>Quality employment based on merit and ability, training and professional development, equal opportunities, work-life balance, health and safety in all positions and teamwork, communication and participation |
| <b>ENVIRONMENT</b>  | <b>SOCIETY</b>  | <b>SUPPLIERS</b>  |
| Priority attention to environmental aspects when drafting projects and providing services<br>Responsible use of resources<br>Proper management of wastes<br>Stringent practices for employees and suppliers, etc. | Hiring of individuals with disabilities<br>Increase in well-being and progress<br>Economic, social and cultural development<br>Innovation, research and knowledge dissemination<br>Cooperation with other companies in the sector<br>Relationship with third sector (non-profit enterprises)<br>Promotion of CR among employees | Publicity, competition, non-discrimination<br>Confidentiality<br>Trust and mutual benefit<br>Objectivity<br>Promotion of the principles of Corporate Responsibility   |

## AN EXAMPLE FOR SOCIETY: ZERO CORRUPTION

Corruption is another issue the company has taken a firm position on, leading it to define the necessary tools to guarantee transparency and avoid any risks in this regard.

The Zero Tolerance for Corruption Policy was defined as an essential chapter of the Integrity, Transparency and Commitment Guidelines.

This policy functions as a company declaration and is known by company managers and employees and can be consulted on the intranet.

In the Employee Orientation provided to all new hires, a specific chapter is dedicated to knowledge of these guidelines (see Commitment to human resources).

For detecting risks within the organisation, as well their supervision by the Ethics Committee, the circumstances of all Ineco areas are taken into account, with special attention to those that operate in international environments.

Ineco's Corporate Responsibility actions are promoted and coordinated by the Strategy Division, which reports to the President. Its definition and development are linked to the strategy and according to an annual plan. It is guaranteed by the Management Committee and the Ethics Committee.

### MEASURES TO PREVENT BRIBERY

Ineco's Zero Tolerance for Corruption Policy is a programme created to ensure that transparency and honesty are guaranteed in the pursuit of business objectives. It expressly rejects any type of corruption, whether direct and indirect. Based on an analysis of the activities most vulnerable to the risk of corruption and following the stipulations of its Code of Conduct, Ineco assumes in its operations the commitments listed below. It will promote its adoption by both its staff and collaborators through the pertinent formalisation thereof in the corresponding contracts.

## Bribes

Ineco prohibits the any type of payment, monetary or involving any other type of financial or non-financial material or moral asset that can be considered significant according to prevailing practices and customs if this might confer an advantage on a person or with the aim of obtaining any advantage in the relationship with the interested parties. The concept of "advantage" is understood to mean favourable treatment or the guarantee of obtaining benefits in return.

Naturally, this prohibition is also applicable to employees who, by virtue of their functions and activities in Ineco, seek to accept and/or offer bribes for personal benefit or that of family members, associates or acquaintances.

Any Ineco employee who has knowledge of promises, offers or requests for bribes is required to report this to Ineco's Ethics Committee.

## Donations to political parties

Ineco shall not exercise any illicit influence, directly or indirectly, on elected officials, nor shall it finance political parties or their representatives or candidates in Spain or abroad. Neither shall it sponsor any event whose purpose is political advertising.

## Donations to charity organisations and sponsorships

Ineco's Corporate Social Responsibility Policy expresses a firm social commitment. For this reason, Ineco collaborates with various non-profit non-governmental organisations as a means of facilitating volunteer actions by its employees.

Ineco shall support, through sponsorships and by entering into specific agreements, initiatives related to events of a social, environmental, sporting, entertainment and artistic nature, or for scientific and technological dissemination. These events shall provide a guarantee of quality, may be national in scope or respond to specific territorial needs, involving the public and the institutions and associations Ineco collaborates with, so as to guarantee their originality and effectiveness.

## Preferential treatment

Ineco does not authorise the remittance, offering or acceptance of payments or benefits in any amount, directly or indirectly, whose purpose is to expedite services to be provided by any of its business partners.

If preferential treatment is promised, offered or solicited, Ineco employees shall inform the Ethics Committee through the channel provided for reporting such matters.

## Gifts, donations and favours

Gifts of any type that might be interpreted as exceeding prevailing business practices or common courtesy, or which may be intended to secure any type of preferential treatment for the performance of any activity by Ineco are prohibited. In particular, this prohibition applies to any type of gift to Spanish or foreign public officials, auditors, Ineco board members or their family members, which might compromise their objectiveness or elicit a promise of any type of favour.

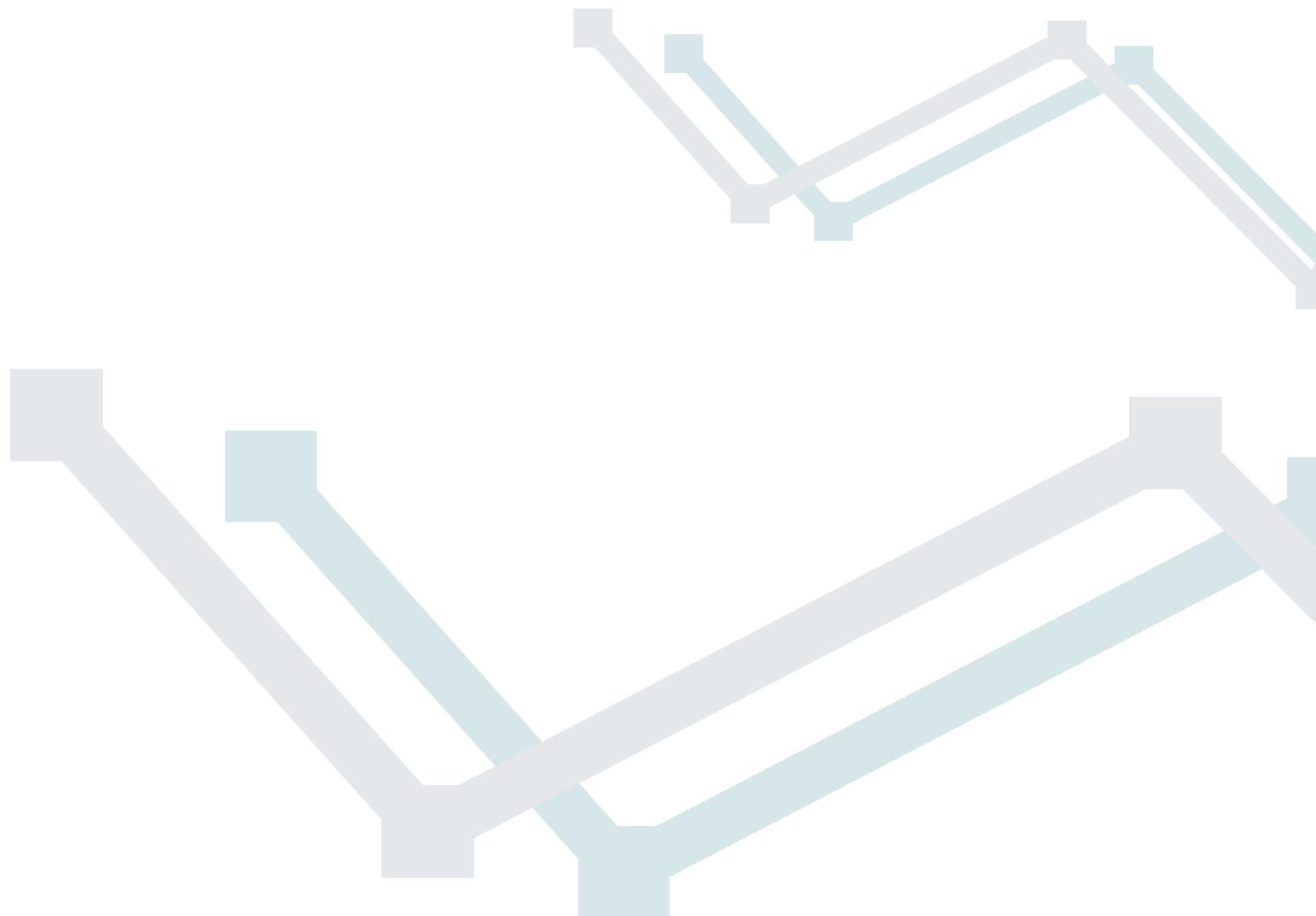
This guideline, which has no exceptions even in countries where offering valuable gifts to business partners is customary, is applicable both to gifts promised or offered and those already received; it should be noted that gift is understood to mean any type of favour. In any case, Ineco abstains from practices not permitted in the applicable laws, by the business practices or ethical codes (if these are known) of the companies or entities with which it maintains relationships in the development of joint activities.

Any gift given by Ineco must be intended to promote the image of the Ineco brand. Any gifts offered must be properly managed and authorised.

Ineco collaborators who receive gifts or favours without proper authorisation as described above shall report this to the Ineco Ethics Committee, which will evaluate their appropriateness.

Zero Tolerance for Corruption Procedure: A specific procedure that regulates conduct in this area has been established to guarantee observance of these commitments.

The Code of Conduct prohibits all practices involving corruption, bribery, the acceptance or remittance of payments, and those which enable said practices, actively or passively, by act or omission, or through the creation or maintenance of irregular situations of preferential treatment.



## GOVERNANCE MODEL

### Governance bodies

The main governance and company management bodies are the General Shareholders Meeting, Board of Directors, Management Committee and Ethics Committee. There are also other coordination bodies and those whose competencies are established for specific portions of company management, such as the Area Committee, Structure Committee, Governing Council of the Aula Carlos Roa, International Committee, Quality Committee, Ethics Committee, Innovation Committee, Health and Safety Committee and Business Committee.

The Board of Directors and the General Shareholders Meeting represent the highest level of corporate governance.

The Board of Directors is the body responsible for decision-taking and agreements regarding strategic matters, drawing up the accounts, approval of budgets and other issues submitted by senior management. It also monitors Ineco's activities. It is composed of 16 persons, 13 men and 3 women, and has a president, 14 ordinary members and one secretary. All of its members are well-known experts in the sector. None of them, except for the president of Ineco, hold executive positions. All are employees of the Spanish government.

Ineco maintains fluid communications with its shareholders, all of whom are members of the Board of Directors, through the General Shareholders Meeting, board meetings and the corporate website.

The main function of the Audit and Control Commission is to support the Board of Directors in its supervisory role. In accordance with Ineco's corporate bylaws, it meets every six months.

The Management Committee, headed by the Chairman of Ineco, has the following members: the CEO Corporate Operations; CEO International and Business Development; CEO Aeronautics; CEO Railway Installations and Systems; CEO Railway Projects, Works and Maintenance; CEO Environment, Intermodal Consultancy and Specialities; CEO Roads; Corporate Resources manager; and General Secretary (as of June, 2012).

The Management Committee takes decisions regarding other strategic and operational matters, providing leadership in the management of the company in its day-to-day operations and proposing medium- and long-term policies to the higher bodies. It reviews company performance on a monthly basis using a complete system of indicators included in a balanced scorecard. Based on this analysis, it approves corrective actions if any deviations are found. It also approves internal procedures and management policies and oversees their compliance.

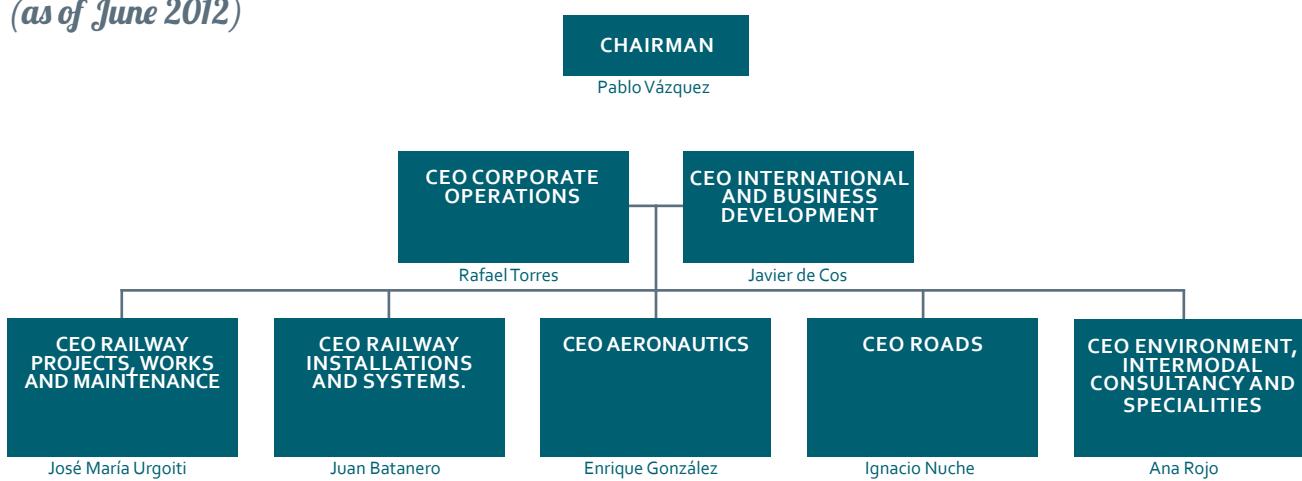
The Ethics Committee, described previously, oversees compliance with the Integrity, Transparency and Commitment Guidelines.

## SHARE DISTRIBUTION

***Effective shareholder (Including identity and the percentage of ownership of the main shareholders).***

| SHAREHOLDERS    | 2011             |                    |                  |
|-----------------|------------------|--------------------|------------------|
|                 | Capital paid out | % of participation | Number of shares |
| AENA            | 3,783,177.63     | 45.85              | 30,263           |
| RENFE Operadora | 1,054,334.34     | 12.78              | 8,434            |
| ADIF            | 3,413,148.03     | 41.37              | 27,393           |
| Total           | 8,250,660.00     | 100                | 66,000           |

*Organisational chart  
(as of June 2012)*



The Chairman of Ineco also heads the General Shareholders Meeting, Board of Directors, Management Committee and Ethics Committee.

## Economic Aspect

The challenges and objectives that Ineco establishes for the future are reflected in the company's successive strategic plans, which are implemented in the annual budgets and reported in the year-on-year results. The company reports each financial year's activity and results in annual reports that are available at [www.ineco.es](http://www.ineco.es)

The Ineco Strategic Plan in force for the 2011 financial year defines the framework of the company's activities and defines the strategic lines for achieving its financial, social and environmental objectives through each of its work processes and activities.

The public nature of Ineco's capital requires maximum efficiency from the company in the form of competitive services. For this reason, Ineco endeavours to follow an active policy of austerity to promote expense reduction and maintains a healthy and sustainable financial structure. This policy of austerity and transparency allows it to meet the requirements of domestic and international tenders with excellence.

Different tools are used within Ineco to provide a set of representative variables and data to detect deviations with respect to the defined objectives and to implement the most appropriate corrective measures. These control tools are available to the individuals responsible for company management and they collect data on economic and financial, human resources, international activity and general services.

Regarding the contracting of works, services and supplies, Ineco works on the basis of competition, transparency, confidentiality and non-discrimination. The Procurement Department is the body that guarantees rigorous compliance with these principles in all procedures. With regards to financial control, the guidelines applied by Ineco establish documented policies and an internal auditing unit to ensure their compliance.

The corporate policies approved by Ineco's Management Committee, and those corresponding to the financial-accounting area, also are approved by an Auditing and Control Commission composed of the president and three members of the Board of Directors.

The principle of prudence is applied in the economic area through advance preparation of the Annual Budgets, Balance Sheets and Profit and Loss Accounts, with segmentation and monthly monitoring to anticipate shortfalls that might affect cash flow or generate debt. Likewise, Ineco adopts the same principle of precaution with respect to serious risks to the environment through its different policies, procedures and management and control systems.

| <b>ECONOMIC VALUE GENERATED</b>   |  | <b>249,200,734</b> |
|-----------------------------------|--|--------------------|
| Revenues                          |  | 249,200,734        |
| <b>ECONOMIC VALUE DISTRIBUTED</b> |  | <b>247,837,673</b> |
| Operating costs                   |  | 73,867,606         |
| Salaries and social benefits      |  | 153,424,502        |
| Payments to fund providers        |  | 15,637,329         |
| Payments to the government        |  | 4,908,236          |
| <b>ECONOMIC VALUE RETAINED</b>    |  | <b>1,363,061</b>   |

| <b>REVENUE FROM SERVICES RENDERED</b>   |  |                       |
|---|--|-----------------------|
| Services rendered to the public sector  |  | 215,650,930.14        |
| Services rendered to the private sector |  | 32,508,370.33         |
| <b>TOTAL</b>                            |  | <b>248,159,300.47</b> |

| <b>CASH FLOW</b>                                 |  |                   |
|--|--|-------------------|
| Cash flows from operating activities             |  | 8,369,270         |
| Cash flows from investment activities            |  | -1,105,943        |
| Cash flows from financing activities             |  | -15,310,975       |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b> |  | <b>-8,047,648</b> |

# 2011

*annual  
report*

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INTEGRITY, TRANSPARENCY AND COMMITMENT

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ineco



## *Committed to our customers*

### *CREATING VALUE THAT GOES BEYOND EXCELLENCE*

Quality, innovation, sustainability and commitment are objectives that Ineco shares with its customers. The company maintains a fluid dialogue with both its shareholders and the rest of its customers, which mainly include international, national, regional and local governments.

Ineco has developed an Innovation Reference Framework whose main goal is to contribute value to our customers, with a special emphasis on issues related to sustainability and other impacts on society.

The company evaluates the proposals submitted by its customers in terms of their innovation potential. It assesses the capacity to benefit the customer as well as the contribution to sustainable development in the transport sector.

Innovation is oriented towards the benefit associated with the project, both to the company and society and to the customer to be satisfied. In this sense, Ineco understands that to meet the needs of the future, it must innovate in processes and technology to strike a balance between social, economic and environmental objectives in the solutions it provides. We also foresee undertaking innovation projects to be developed in collaboration with our customers.





COMMITTED TO OUR CUSTOMERS

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In its commitment to the environment and quality, Ineco has implemented its Quality and Environmental Plan, which seeks process efficiency and the development of a culture of quality and respect for the environment. This plan has resulted in an increase in satisfaction and recognition by customers and meets the objectives set for efficiency, continuous improvement, management excellence, brand recognition and the achievement of certifications, accreditations and awards.

Monitoring based on precise and quantifiable indicators is the key to the company's continuous improvement process in terms of customer satisfaction and excellence.

## COMMITMENT TO INNOVATION

Ineco's commitment to innovation in its products and services is reflected in its greater R&D efforts. Investment in this area in 2011 was nearly 5.9 million euros, which represents more than 2% of its sales turnover.

With this commitment, Ineco is playing an active and prominent role in the development of technology services with high added value, promoting a practical and profitable approach in the projects it participates in.

### **- Ineco invested 5.9 million euros in R&D+i 2011 -**

As a result, 150 projects developed by Ineco have improved the quality of work, and 40 projects with products and services have been offered as well.

### **- 150 projects with improved quality -**

### **- 40 projects with new products and services -**

Ineco promoted better communication with its entire professional team, strengthening vertical, horizontal and transversal dialogue to identify new business opportunities and pursue innovation in all areas.

The number of projects in 2011 related to new products or services and those addressing process improvement were developed on an equal basis; however, the trend anticipated for the near future is towards a clear commitment to the development of new products and services.

A high percentage of the projects developed by Ineco this year were European and international initiatives included in the 7th European Union Framework Programme.

In addition, in 2011 Ineco participated in 12 consortia (including GRAIL-2, INESS, TRIOTRAIN, TITAN, ACCEPTA), of which it led four, distinguishing itself as a key actor in the European market. Of these projects, the following ended in 2011:

► **GIANT-2** (GNSS Introduction in the Aviation Sector – 2) for the progressive introduction of GNSS in general and commercial aviation.

► **ASS** (Integrated Airport Apron Safety Fleet Management) for the development of an optimisation tool for handling vehicles based on GPS localisation.

► **SUGAST** (Support to Galileo Standardisation) to apply a standardisation system in the area of railways, providing continuity and complementing the STANDARDS project.

Likewise, the following internal Innovation projects were concluded:

► **ARMÓNICOS**: a study of harmonic interference generated by rolling stock.

► **VULCANO**: methodology for prevention and evaluation of fire risk in the vicinity of electrical and railway lines.

► **SOFDIS**: software for supporting the design of railway safety facilities.

► **DeTec**: new on-line instrument techniques.

► **NAZPLV**: computer application for generating future flight plans for airports on the Aena network.

► **DFO**: tool for assisting in the generation of final work documentation and subsequent maintenance management.

► **SAF**: analysis and monitoring system for data from pavement auscultation monitoring on roads.

► **RWY-EX**: simulator for aircraft operation on runways for safety assessments.

#### SUSTAINABLE INNOVATION

In line with Ineco's ongoing search for sustainable solutions, the company is working on environmental solutions that generate benefits for its customers, and these are integrated in the annual R&D Plan. These are projects related to savings in energy consumption or through the production of energy.

## OUR QUALITY, VALUE-ADDED FOR OUR CUSTOMERS

### Responsibility for the product

Ineco's priority objectives are continuous improvement in the quality of the works and services and an increase in customer satisfaction. To achieve these objectives, the following actions have been undertaken:

- Creation of participation groups to prepare and revise procedures and unify work practices and the use of computer tools to facilitate management.
- Implementation of a common system for planning and monitoring work.
- Implementation of specific systems for supervising the quality of work.
- Implementation of a common system for controlling measurement and testing equipment.

- ▶ Optimisation of support processes and expansion of corporate and services and of interactivity.
- ▶ Improvement of the supplier selection process.
- ▶ Organisation of support and coordination groups in the areas to address all the functions linked to management.
- ▶ Improvement of the training process.
- ▶ Intensification of monitoring and control of processes and activities in order to undertake process-improvement actions and define objectives to be incorporated into the system.

A Quality and Environmental Policy was drafted and published within the management system implemented at Ineco, available on the Ineco website and intranet, that defines the company's responsibility and commitment with regards to its services. The objectives of the Policy are the following:

- ▶ Ensure that the services provided by Ineco comply with the requirements stated in contractual specifications, regulations and instructions.
- ▶ Continuously improve processes and increase productivity and profitability by eliminating all types of factors responsible for poor quality and the effects derived from them.
- ▶ Have the necessary resources to attain the quality levels agreed with customers and promote proper and rational use of the resources used.
- ▶ Require suppliers of goods and services to provide the same guarantee that Ineco provides to its customers and to society in general.
- ▶ Conduct regular reviews and audits of the Integrated Quality and Environmental Management System that ensure its relevance and effectiveness and make it possible to establish continuous improvement programmes for implementation, development and management.
- ▶ Establish and review annual quality and environmental objectives and targets and provide adequate resources for achieving them so that Ineco can continuously improve the quality of its services.

The company's Training Plan contains specific internal training activities on the UNE-EN ISO/EN 17020:2012 standard, Inspection of Railway Rolling Stock and Independent Assessment of Safety or Training Actions in the Ineco Quality and Environmental Management System and Quality Planning Tool.

## ASSESSMENT AND MONITORING

Both quality objectives associated with process performance indicators and quality and environmental improvement objectives with specific actions related to continuous improvement of the system are established in Ineco's Quality and Environmental Management System.

Taking into account that the targets established for each year are based on objective values, their evolution and fulfilment level determine the need to modify or maintain the objectives associated with each of the indicators. The setting of quality objectives takes into account the Quality and

Environmental Policy, a review of legal and regulatory requirements and the environmental aspects reviewed and assessed by Ineco in the first quarter.

All indicators that exceeded the established target in the last three years were reviewed by the person responsible for the process with the aim of increasing the target as a demonstration of the system's commitment to continuous improvement.

All Ineco activities are certified under Standard ISO 9001:2008. Moreover, Ineco is accredited as a Railway Rolling Stock Inspection Entity and an Independent Safety Assessment entity.

## RECEPTIVE TO THE CUSTOMER'S VIEWPOINT

In its quest for continuous improvement, the company took another step in its relationship with the customer, making it a participant in assessing its products, services and processes.

Good communication allows Ineco customers to contribute their critical perspective on the company's processes.

The corporate website, satisfaction surveys and the seminars and conferences at the Aula Carlos Roa facilitate this ongoing and fluid dialogue between Ineco and its customers.

Using these tools, Ineco guarantees clear, precise and transparent information and receives the necessary input to build a brand loyalty programme.

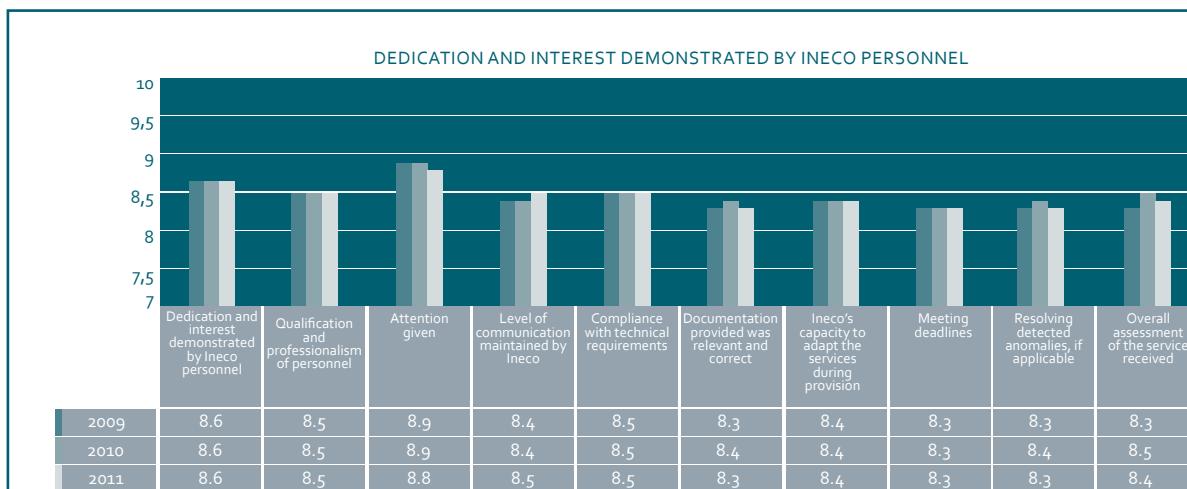
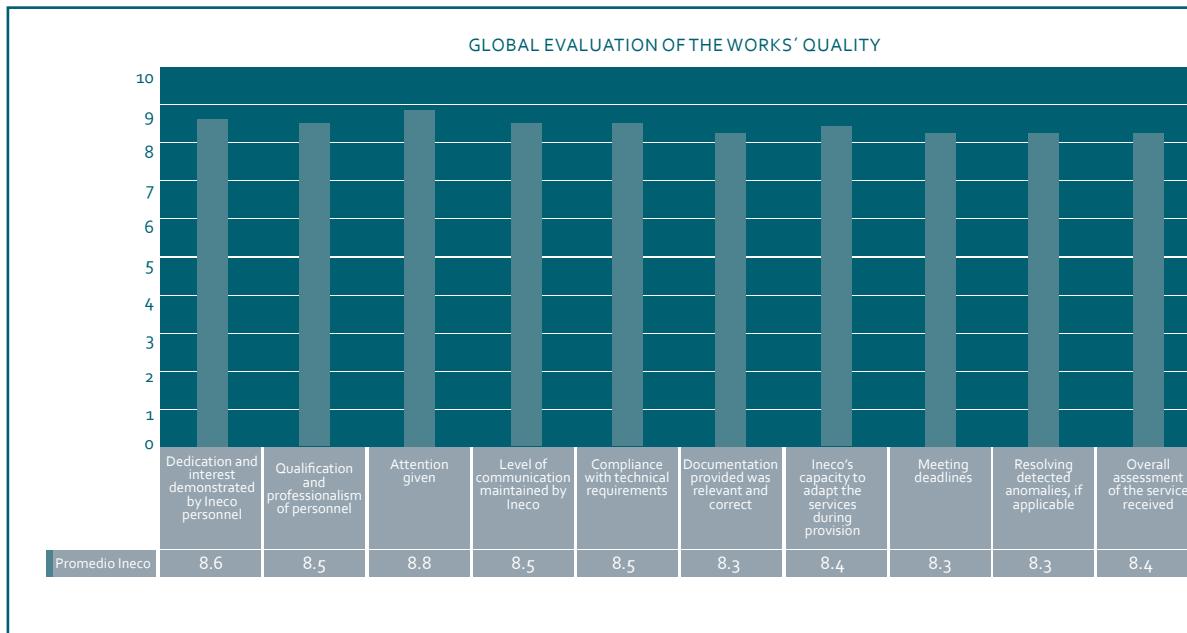
In accordance with its quality commitment to its customers, Ineco carries out a satisfaction survey at the end of each project to determine the level of satisfaction with the products and services provided. This survey specifically evaluates aspects related to the company image, in addition to the overall assessment regarding provision of the requested services.

In 2011 the overall assessment of the company's services remained high, with a rating of 8.4 out of 10 and a response rate of 68%.

While the results are very positive, Ineco plans to continue advancing to improve certain aspects such as the relevance of the documentation provided, meeting deadlines and providing flexible solutions, as applicable, to address the incidents that were detected.

**- Ineco's customers rate their satisfaction at 8.4 out of 10 -**





Ineco has a computer tool that enables the emission and the management of the clients' satisfaction survey. This tool makes the sending, as well as the results' operation and automation, easier.

COMMITTED TO OUR CUSTOMERS

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COMMITTED TO OUR CUSTOMERS

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## *Committed to our employees*

*CREATING A GREAT WORK ENVIRONMENT*

**- Average number of employees: 3169 -**

Ineco's greatest asset is its people. For this reason, the company is strongly committed to its team and works to make the company an attractive place to work that promotes the development of its professionals. A company with a motivating environment, where knowledge is shared and personal initiative and dialogue are encouraged.

Ineco's efforts along these lines were recognised with the awarding in 2011, for the fourth year in a row, of the Top Employers seal, which recognises the company as an "excellent place to work". This prestigious award, developed by the CRF Institute, measures companies' ability to attract and retain talent, identifies companies worth working for and disseminates the personnel management best practices of the companies that are leaders in developing talent. The assessment is centred on aspects such as primary benefits, professional development, company culture, training and development, secondary benefits and working conditions. Ineco also received one of the three special awards in the secondary benefits and working conditions category.

Ineco works continuously to improve these social benefits for its professionals. In 2011 Programa+ was launched, a new system for increasing the flexibility of the benefits received by employees covered under collective bargaining agreements. This allows them to choose, according to their personal needs, from among the following products: meal tickets, day-care tickets and medical insurance.



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COMMITTED TO OUR EMPLOYEES



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The system allows employees to renew the products at the end of the year or change the benefit selection if their circumstances have changed.

#### AGREEMENT

In terms of compensation, the applicable agreement at Ineco is the national collective bargaining agreement for engineering and technical studies offices in addition to the company's own internal agreement. Ineco has a variable compensation policy based on the degree of fulfilment of quantitative and qualitative objectives.

One of the qualitative objectives is "personal evaluation".

The company does not extend any social benefits to full-time employees that it does not also provide to temporary or part-time employees. The percentage of the workforce covered by the collective bargaining agreement is 93.29% of the total. Among its social benefits, Ineco offers meal tickets, day-care tickets, medical insurance, life insurance and coverage for disability and invalidity.

In 2011 Ineco's management bodies held several meetings with the Company Workers' Committee to identify the concerns of the company's professionals and generate proposals for improvement.

The satisfaction of the team in this area is reflected in the work environment survey the company performs every two years. The results give Ineco information on the aspects rated as best and worst by the employees. After analysing the results for 2011, Ineco once again received a satisfactory rating for its work environment, achieving a score of 7.14 out of 10 for general satisfaction. Among the best rated aspects were the quality of human relationships, the content and quality of the positions and customer service. In addition, there was an increase in participation with respect to the 2009 survey.

With the goal of continuous improvement, Ineco is planning to develop a specific action plan that will establish working groups made up of different profiles within the company to analyse the areas for improvement detected: promotion, training and development. They will also consider models and different ways of providing flexibility. The purpose is to establish the lines necessary to continue building an attractive and responsible company.

The current economic situation and the reality of the market require greater effort in personnel management. The company's internationalisation process and the need to innovate in its methods, products and services require strategic actions that allow Ineco to maintain its leadership position in the sector. The company is working on actions to increase the degree of transversality of its profiles, the flexibility of its teams and their preparation for new challenges and opportunities in the market.

## THE SEARCH FOR TALENT

The need for a transversal team capable of adapting to the new world context and carrying out projects in any part of the world demands more specific profiles. A high level of technical competence, mastery of languages, geographic mobility and flexibility are already part of a successful profile for developing a career with Ineco.

Universities represent one of the most important environments for recruiting talent. The main objective of Ineco's internship programmes is to bring young students closer to the job market and to create a pool of recent graduates with experience and interest in transport engineering to cover future hiring needs.

Ineco maintains collaboration agreements with more than 50 schools, departments and other bodies in leading Spanish and international universities. Of the internships undertaken in Ineco in 2011, 29% corresponded to the Aeronautics Area, 41% to the Railway Area and 30% to the Transport Consulting Area.

In 2011, 43% of the recent graduates hired came from internships, making these student programmes one of the main recruitment sources for the company.

Ineco also participated in the employment forums organised by the leading Spanish universities, such as the polytechnic universities of Madrid, Catalonia and Valencia.

Throughout 2011 Ineco opened new recruiting channels based on new technologies and social networks, platforms that are especially relevant to recent graduates and students interested in business internships. This year for the first time, Ineco participated in the Virtual Job Fair for engineers organised by the Spanish Institute of Engineering, which brings together over 20 Spanish advanced technical schools.

## QUALITY AND MOTIVATIONAL TRAINING

The new challenges facing the company require highly qualified personnel to work in international environments.

Training at Ineco is structured in training itineraries for each of the positions in the organisation. These itineraries are training cycles designed to guarantee acquisition of the necessary knowledge and skills for properly fulfilling the functions and duties of each position; this makes it possible, for example, to train employees to do their in the best possible way and boosts their career at the company.

In 2011 Ineco delivered more than 150,000 hours of training to 2397 employees. Aware of the importance of employee feedback for improving training programmes, Ineco carried out evaluations for each of the courses given. This year the rating was 7.6 out of 10.



In line with the internationalisation strategy, Ineco emphasised language training, in which 1774 person participated in 2011, completing a total of 57,595 hours of training in different languages. In addition, several training programmes exist which are oriented towards internationalisation, which encompasses international project management and preparation of our professionals for cultural adaptation in each of the countries where Ineco works.

| POSITION TYPE           | TOTAL NUMBER OF HOURS/MAN | TOTAL NUMBER OF HOURS/WOMAN | TOTAL NUMBER OF HOURS | AVERAGE NUMBER OF HOURS/MAN | AVERAGE NUMBER OF HOURS/WOMAN | AVERAGE NUMBER OF HOURS |
|-------------------------|---------------------------|-----------------------------|-----------------------|-----------------------------|-------------------------------|-------------------------|
| COMPANY MANAGEMENT TEAM | 16,312.18                 | 4,151.11                    | 20,463.29             | 94.84                       | 103.78                        | 96.52                   |
| PROJECT MANAGEMENT TEAM | 28,886.45                 | 14,214.23                   | 43,100.68             | 67.49                       | 76.01                         | 70.08                   |
| TECHNICAL STAFF         | 38,536.19                 | 30,110.24                   | 68,646.43             | 41.66                       | 48.64                         | 44.46                   |
| SUPPORT STAFF           | 10,545.42                 | 9,381.79                    | 19,927.21             | 31.11                       | 20.94                         | 25.32                   |
| INECO                   | 94,280.24                 | 57,857.37                   | 152,137.61            | 50.58                       | 44.71                         | 48.18                   |

## SPECIFIC TRAINING

### Ítaca. Ineco learning platform

In 2011, Ítaca was created as a one-stop learning space for both formal and informal learning. Ítaca centralises and coordinates each and every course being taken by Ineco employees.

The 87,979 page views between its launch in April and December are ample proof of its acceptance by the staff. Its success is also reflected in the number of requests received for adding new courses and training objects, which become custom courses in virtual formats that allow us to transmit and share internal knowledge among all Ineco employees.

### Sfera. Training management software

Sfera was created to address the high level of qualification required of Ineco employees for performing the work requested by our customers. This is a tool available on the intranet that is dedicated to managing employee training and recording training activities. It identifies and assesses the training needs of employees individually and manages their development while they are with the company.

### Advanced Business Management Programme

In order to promote the development of its professionals, Ineco designed an in-person advanced training programme jointly with prestigious business schools. This programme encourages reflection in the area of business management.

This programme is aimed at all intermediate managers and is part of their basic training itinerary. To date, 80 people have completed the programme and 15 more are currently enrolled.

### Cohesion of natural teams. High-performance teams

One of the areas in which Ineco has made the greatest effort in the past year is in the alignment and cohesion of the management teams. In this programme, designed to develop and bring management teams closer together, four business areas have participated with a total of 57 people. In general lines the programme aims to:

- ▶ Boost the forces that support a clear and coherent team vision and raise the commitment level.
- ▶ Develop the team, take better advantage of the different available resources: personalities, experiences...
- ▶ Clarify perceptions and practice new forms of Win/Win cooperation.
- ▶ Personal development and communication.
- ▶ Explore limitations and strengthen the leadership skills of each participant, with a clear focus on personal improvement by practicing feedback and experiencing its benefits.

## KNOWLEDGE MANAGEMENT

To promote knowledge management, Ineco is working on a model that will give the company a global, articulated system that involves the implementation of processes and mechanisms for creating, identifying, capturing, organising and storing knowledge. It will also allow knowledge to be applied and shared all levels of the organisation.

With this system, Ineco will improve its competitiveness, optimise resources and reduce costs, improving profitability and boosting its ability to respond to internal and external change. Knowledge management facilitates innovation and development of the organisation and the people that make it up.

## PROFESSIONAL DEVELOPMENT

Professional development is one of the most important lines of action in personnel management at Ineco. The company promotes the careers of its professionals through an itinerary that establishes the positions and assigns them to levels, distinguishing between management, technical and support careers, all of which are equally valid and recognised in the organisation. These careers are characterised by transversality and flexibility with possibilities for vertical and horizontal development.

## PROFESSIONAL OPPORTUNITIES

The professional opportunities channel at Ineco is a communication tool that makes it possible to inform workers of career opportunities within the organisation, encouraging transversal mobility within the business areas. It is a direct on-line.

## TURNOVER AND RECRUITMENT DEMONSTRATE EFFECTIVE HUMAN RESOURCE MANAGEMENT

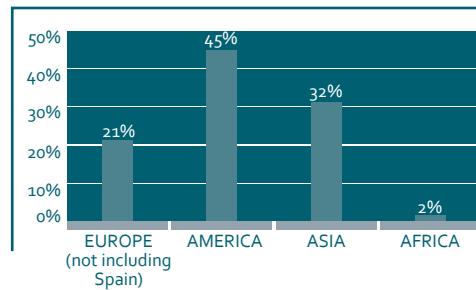
Ineco works to adapt its workforce to market needs. In this regard, the company maintains adequate turnover rates to the philosophy of a balanced growth with the development of their professional career.

Ineco is, on its own staff, the best source for recruiting profiles required by the new international scenario. The company manages a large number of candidates obtained from its workforce, promoting and encouraging horizontal mobility in their professional development.

### *Turnover average rates*

| GENDER |       | AGE      |               |         |
|--------|-------|----------|---------------|---------|
| MEN    | WOMEN | UNDER 30 | FROM 30 TO 50 | OVER 50 |
| 11.7%  | 14.2% | 17%      | 11.3%         | 10.1%   |

### *% of personnel by geographic region out of the total number of expatriates*



## INTEGRATIVE COMMUNICATION

Communication is key for integrating and motivating the team. Ineco provides its professionals with different communication channels and tools that promote company culture by facilitating access to information that is relevant to them, enabling fluid dialogue between all components of the organisation.

The main internal communication medium at Ineco is the intranet, which brings together and updates all the company's corporate information. The intranet incorporates segmented spaces so that everyone working at Ineco can easily consult the information they need in their daily work.

In addition, employees can access areas for news that provide the latest developments in the transport sector and the organisation.

The company also provides a suggestion box for collecting opinions and proposals from the entire team. In 2011, significant interest on the part of employees was noted in Ineco's social actions, in addition to issues related to the environment.

Other communication channels were also developed that complete the internal communication flow, such as:

- ▶ "Sobre la marcha" (On the move), an on-line internal magazine that presents corporate information and reports on the progress of Ineco's projects. Ten issues are published per year and it reaches all employees.
- ▶ "Ineco presidencia" (Ineco Presidency), a direct on-line channel between the president and the employees regarding relevant information about the organisation.
- ▶ "Ineco hoy" (Ineco Today), immediate on-line information addressing corporate, project and Human Resource topics.
- ▶ "Resumen de prensa" (Press roundup), a daily summary of the most important news published in the Spanish news media that affects Ineco and the sector. A daily e-mail is sent with a link to the content platform where it is stored.
- ▶ Blogs and forums that promote and facilitate worker interaction, dialogue and the generation of opinions on different topics of interest.

To facilitate the incorporation of new professionals to the team, Ineco holds orientation sessions. In these, new employees receive a welcome and orientation regarding the most common initial questions to ease their first days at Ineco.

New members of the Ineco team also receive an orientation manual, which includes all the information necessary for understanding how the company operates on a day-to-day basis.

Ineco is also working on other actions intended to create open spaces for dialogue. In this respect, it holds internal events, breakfasts with the president, internal meetings and working breakfasts. Specific examples of this include initiatives such as the digital encounters between the president and employees, the "30 minutes with" programme, which addresses topics of interest to the Ineco community.

## RESPONSIBLE WITH PEOPLE

In an effort to encourage work-life balance and equal opportunities between men and women, in 2011 Ineco continued to implement its Equal Opportunity Plan to promote the same treatment and opportunities for men and women in all spheres of activity: recruitment, training, promotion and development.

The Equal Opportunity Plan includes specific policies for work-life balance, control mechanisms and tools to prevent gender discrimination, as well as awareness programmes for the entire staff.

As fruit of Ineco's efforts in this area, the constant evolution of the workforce towards this goal of equality in recent years is noteworthy.

*Return to work and retention rates after parental leave, by gender*

|       |  | MATERNITY/ PATERNITY LEAVES ENDING IN 2011 | EMPLOYEES RETURNING FROM LEAVE IN 2011 | UNPAID MATERNITY LEAVES ACTIVE AS OF 31-DEC-11 | LEAVES |
|-------|--|--|--|--|--------|
| MEN   |  |  | 100.0%                                 |  |        |
| WOMEN |  |  | 74.6%                                  | 7.0%   | 8.5%   |
| TOTAL |  |  | 93.1%                                  | 3.1%   | 3.8%   |



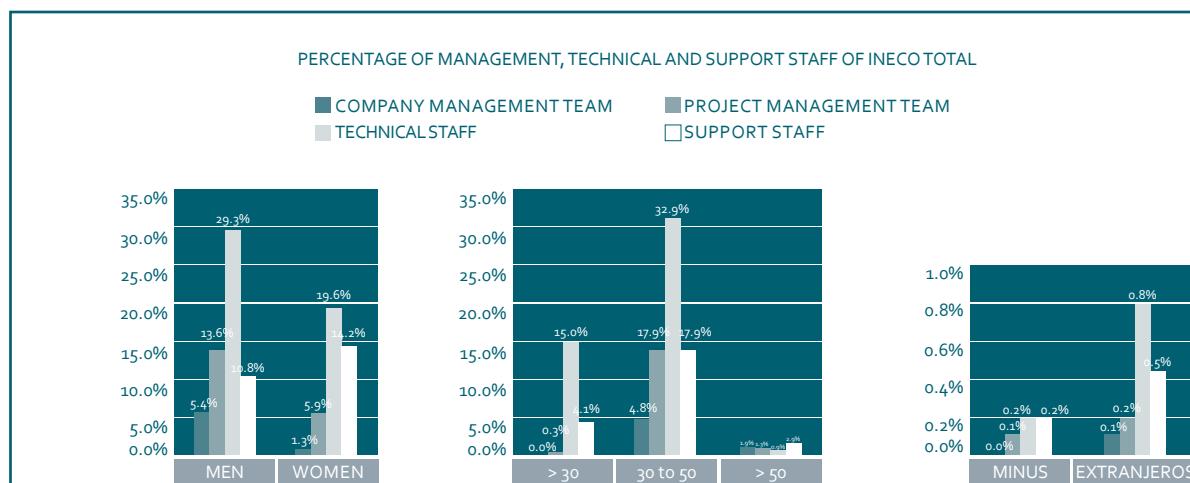
With respect to the risk of discrimination in hiring, training and promotion, Ineco is performing diagnosis and monitoring of possible differences or inequalities in hiring, promotion and access to training, evaluating the risk factors in order to design the necessary improvement actions.

Ineco is also working to define a performance assessment model for Ineco professionals in order to evaluate their competence systematically and ensure that the recognition system is applied according to homogeneous criteria.

The composition of the governance bodies and the breakdown of employees tends to make equality conditions better.

### ***Composition of the governance bodies and breakdown of employees per category according to gender, age, minority group membership and other indicators of diversity***

| POSITIONS               | NO.  | DATA AS OF 31 DECEMBER 2011 |       |            |                |            |            |           |
|-------------------------|------|-----------------------------|-------|------------|----------------|------------|------------|-----------|
|                         |      | % GENDER                    |       | % AGE      |                |            | % DISABLED | % FOREIGN |
|                         |      | MEN                         | WOMEN | < 30 YEARS | 30 TO 50 YEARS | > 50 YEARS |            |           |
| COMPANY MANAGEMENT TEAM | 212  | 81.1%                       | 18.9% | 0.5%       | 71.2%          | 28.3%      | 0.0%       | 1.4%      |
| PROJECT MANAGEMENT TEAM | 615  | 69.6%                       | 30.4% | 1.5%       | 91.7%          | 6.8%       | 0.3%       | 0.8%      |
| TECHNICAL STAFF         | 1544 | 59.9%                       | 40.1% | 30.7%      | 67.4%          | 1.9%       | 0.4%       | 1.7%      |
| SUPPORT STAFF           | 787  | 43.2%                       | 56.8% | 16.3%      | 71.9%          | 11.8%      | 0.9%       | 1.9%      |
| TOTAL PERSONNEL         | 3158 | 59.1%                       | 40.9% | 19.4%      | 73.5%          | 7.1%       | 0.5%       | 1.6%      |



As part of its equal opportunities policy, in 2011 Ineco continued to progress with the Integra Plan, which was created to integrate disabled and other persons at risk of social exclusion, a group to which the organisation would like to devote special attention.

To address the obvious realities of these populations, Ineco establishes diversity management models within an equal opportunity environment with the following objectives:

- ▶ To promote the recruitment of members of these populations and make a commitment to improving their employability
- ▶ To improve the quality of life of disabled employees and/or dependent family members with some type of disability
- ▶ To foster a culture of integration and social awareness
- ▶ To contribute to the socio-occupational integration of persons at risk for exclusion
- ▶ To make their access to employment opportunities equal

In the past financial year, the company has broadened the employee recruitment sources to make it easier to find disabled individuals.

## Prevention and safety

Ineco also works on the specific needs of its professionals as regards health and occupational hazards prevention. Notable initiatives include the vaccination programme, medical insurance for expatriates or specific training programmes for said workers, with special emphasis placed on their protection and safety. Due to the nature of their activity or the environment where they carry out their work, they have a greater risk of catching specific diseases.

The following table sums up the programmes offered and the beneficiaries.

|                      | Education/<br>Training | Consulting | Hazard<br>Prevention/<br>Control | Treatment |
|----------------------|------------------------|------------|----------------------------------|-----------|
| WORKERS              | ✓                      | ✓          | ✓                                | ✓         |
| WORKERS'<br>FAMILIES |                        | ✓          |                                  | ✓         |

As regards personal safety, in 2011 Ineco launched its new Safety Master Plan, approved by the Management Committee, which focuses on both safety and the treatment of company information and assets. This plan includes Ineco's commitment to this aspect of its business and the importance of the mandatory compliance of its standards.

In addition, the Plan includes protocols that guarantee that the activity will continue in the event of future national or international contingencies.

The operation of the Safety Master Plan is also improved by having established a Health and Safety Committee consisting of 14 members that represents 75% of the staff and operates in each work centre.

The following measures taken within the framework of this Safety Plan should be highlighted: changes made to the management of the access control programme, the publication of rules for all employees (cards, schedules, authorisations, areas that can be accessed, etc.) and training in self-protection and personal protection for technicians in specific projects.

The worker safety reports include degrees of absenteeism, occupational diseases, days missed and the number of fatalities associated with the work, per region and sex. Ineco recorded no fatalities due to accidents in 2011, either in staff working directly for Ineco or staff working for the 24 subcontractors that Ineco coordinates its activity with. Mild occupational accidents are included in the OHP (Occupational Hazard Prevention) procedure. The system of regulations applied to the registry and notification of accidents is the DELTA system.

The collective agreement applied by Ineco includes formal agreements with trade unions to guarantee the health and safety of all the workers in the company.



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## *Committed to society*

### *WORKING AND GROWING WITH BENEFIT FOR ALL*

One of the commitments undertaken by Ineco is to contribute to the economic, social and cultural development of the society it forms a part of, an objective established in the company's Corporate Responsibility Policy.

**- *To contribute to the economic, social and cultural development of the territory is an essential commitment for ineco -***

The company's activity is beneficial for society, since the development of transport systems improves communications and, in turn, they are positive for the country's economy and wealth.

By way of its business and the projects it carries out, Ineco offers a perspective that looks beyond the generation of economic wealth. It is committed to a dialog with society so that the development of each project takes into consideration the local particularities of each region and establishes the corresponding instruments to prevent and mitigate environmental impact on the terrain.

As regards possible negative impacts generated by Ineco's activity, the analyses carried out by the company show that the projects performed by Ineco do not generate a negative impact on local communities.



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**- Ineco projects are focused on the generation of social value by creating wealth and developing transport -**

## THE SOCIAL DIMENSION, KEY TO GLOBAL MANAGEMENT

As a transport engineering and consulting company, Ineco's objective is to develop transport infrastructures and mobility systems that have a direct effect on the progress of the society in the corresponding territories.

Ineco's activity, bolstered by proper prevention and identification of opportunities and risks has made it possible for the social impact of the actions taken by the company to be positive in all cases.

As a company of reference in the sector, Ineco is always open to active cooperation with other national engineering companies to develop projects jointly, especially in the international setting.

This cooperation between companies results in an improvement in the internal capacities of companies by learning from each other's experience.

In addition to business cooperation, Ineco promotes and maintains an active relationship with non-profit organisations. Every year, it prepares a Corporate Responsibility Plan that includes, among other items, the social action initiatives to be developed during the year. In addition, each of these initiatives are assessed and monitored on a continuous basis.

**- The social action plan establishes ineco's initiatives for the support of social development each year -**

On the other hand, Ineco also strives for social development with actions that go beyond its corporate social responsibility, such as the Aula Carlos Roa (Carlos Roa Workshop), which promotes, among other activities, investigation and dissemination. This initiative was begun by Ineco to generate debate and spread knowledge.

## GENERATING WEALTH IN SOCIETY BOTH IN SPAIN AND ABROAD

Ineco's activity in 2011 focused mainly on Spain, although the company has oriented its strategy towards growth in foreign markets.

As a pillar of company strategy, internationalisation means that Ineco has to develop activities that focus on its business in foreign markets.

Only a small percentage of Ineco employees have worked in countries other than Spain this year.

In view of the possibility of increasing the number of employees moved to foreign countries, the

company is preparing various prevention and safety plans, as well as other plans, specifically designed for professionals working outside Spain.

**- Ineco is currently preparing specific prevention and safety plans for the members of its team that will be moving to other countries -**

Likewise, in-depth studies have been carried out in Ineco business areas, especially those that operate internationally, to detect organisational risks in various fields; however, significant risks have not been detected.

## iSOLIDARIA: A SOCIAL ACTION NETWORK

Ineco has created a solidarity area in its intranet, iSolidaria, where users can find information on the company's main social action initiatives. It contains a solidarity bulletin board where any employee can post this type of offers and requests to the rest of the organisation. It also includes an area for workers to communicate their experiences in collaboration with non-profit organisations and a search engine for openings for volunteers.

Assessment and monitoring of volunteer activities are a key aspect in the management of social actions, as they can be used to diagnose the impact of these initiatives and detect opportunities for improvement. This is done at the end of each activity through satisfaction surveys. Mean overall satisfaction for 2011 was 4.9 of 5.

**- Global satisfaction for volunteer activities in 2011: 4.9 Of 5 -**

Through iSolidaria and other corporate communication channels, Ineco maintains a continuous information mechanism with its employees regarding initiatives carried out in this field, while informing on their assessment and follow-up.

## SECTORAL COLLABORATION FOR SOCIAL PROGRESS

The company maintains a fluid dialog with both its shareholders (Aena, Adif and Renfe) and the rest of its customers, which mainly include international, national, regional and local governments.



In addition to being a member of the Fomento Group, in its own right and acting as a technical service for Public Administration, as a consulting and engineering firm, Ineco is a member of the TECNIBERIA association, a leading company in the engineering sector. The purpose of this association is to group engineering, consulting and technological service companies in order to promote solidarity and cooperation in the sector and improve the professional, technical and management capacities of each of the member companies.

Ineco is also a member of the following national and international organisations:

- ▶ FUNDACIÓN DE LOS FERROCARRILES ESPAÑOLES (Spanish Railways Foundation)
- ▶ APD ASOC. PROGRESO DE LA DIRECCIÓN
- ▶ CLUB EXCELENCIA EN GESTIÓN VÍA INNOVACIÓN (Excellence in Innovative Management Club)
- ▶ TECNIBERIA ASINCE
- ▶ ASOCIACIÓN CENTRO DE DIRECCIÓN DE RECURSOS HUMANOS
- ▶ ASOCIACIÓN DE USUARIOS DE SAP (AUSAPE)
- ▶ FUNDACIÓN EUROAMÉRICA
- ▶ ASOCIACIÓN LATINOAMERICANA DE METROS Y SUBTERRÁNEOS (ALAMYS) (Latin American Association of Metros and Undergrounds)
- ▶ MAFEX (Spanish Association of Exporting Manufacturers of Railway Material, Equipment and Services)
- ▶ INTERNATIONAL AIR RAIL organisation
- ▶ AIRPORTS COUNCIL INTERNATIONAL (ACI)
- ▶ INTERNATIONAL ASSOCIATION OF PUBLIC TRANSPORT (UITP)
- ▶ ASOCIACIÓN LATINOAMERICANA DE FERROCARRILES (ALAF) (Latin American Railways Association)
- ▶ CANSO (Civil Air Navigation Services Organisation)
- ▶ ASOCIACIÓN ESPAÑOLA DE LA CARRETERA (Spanish Roadway Association)
- ▶ ASOCIACIÓN TÉCNICA CARRETERAS
- ▶ ASOCIACIÓN ESPAÑOLA DEL TRANSPORTE
- ▶ AUSIGETI (National Association of Inspection and Technical Management Systems for Infrastructures)
- ▶ FUNDACIÓN CAMINOS DE HIERRO (Iron Roads Foundation)
- ▶ AETOS (Spanish Association of Tunnels and Works)
- ▶ ACHE (Scientific-Chemical Structural Concrete Association)
- ▶ GALILEO SERVICES
- ▶ CETREN

## INNOVATING WITH PEOPLE IN MIND

Innovation is a key factor for the creation of value-added solutions, not only for the client, but for society as a whole. Satisfying the needs of the future depends on the balance between the social, economic and environmental objectives of the solutions adopted today.

Therefore, Ineco's Corporate Responsibility Policy is designed to take into account the great impact the products and services offered by the company have on the progress of society.

In 2011, Ineco approved the implementation of an Innovation Reference Framework for 2012. The purpose of this document is to establish the value-adding objectives for both company clients and aspects associated with the sustainability and social impact of Ineco activities.

Among the assessment criteria for proposals, Ineco values the associated capacity for benefit for the company as well as for its clients and/or shareholders and society in general, as well as the contribution to sustainable development in the transport sector.

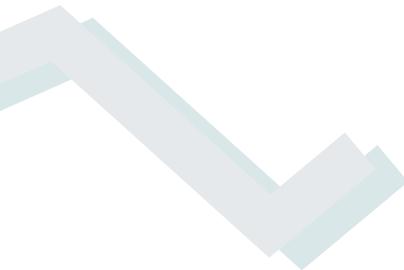
Ineco is currently working on a specific method to gather ideas and suggestions, based on direct and fluid contact between all the company's areas. This method will contribute with tools to improve the information-collection process from the various Ineco departments, such as programming work forums or a specific e-mail address.

## GUARANTEEING PROFESSIONAL ETHICS

Over its more than 40 years of experience, Ineco has managed its business activity by taking into consideration current social demands and adapting its actions to current legislation at all times.

Company growth, market evolution or increasing internationalisation of its activity have led Ineco to define and apply new principles, rules and Corporate Responsibility policies, which have been gradually approved, known and shared by the entire organisation.

Other initiatives to be highlighted include adherence to the Ten Principles of the United Nations Global Compact and the approval of the Integrity, Transparency and Commitment Standards. These are the backbone of Ineco's corporate policies, expanding some and defining those which, due to new business conditions especially present in international settings, have been set out to prevent potential business risks.



## RESPECT FOR HUMAN RIGHTS

The management of Ineco's activity takes in respect for human rights in all areas. The Code of Conduct establishes that all the professionals in the organisation are required to respect human rights and the public liberties included in the Universal Declaration of Human Rights and in the legal systems of the countries where Ineco carries on its business.

Although no training courses or seminars on policies or procedures associated with human rights aspects were held during the year 2011, training sessions were held in 2009 and 2010 dealing with aspects concerning equality and the harassment protocol, attended by 2.8% of the workforce. Currently, an e-learning course is being given for new employees on Ineco's Integrity, Transparency and Commitment Standards.

On the other hand, in the event of incidents concerning human rights, there is a Harassment Committee and an Ethics Committee in place. These bodies are in charge of putting in place a plan to solve each case when necessary. All the cases that have been presented to the Committee have been closed, except for one which continues to be monitored.

## SOCIAL ACTION: FROM INTENTIONS TO ACTIONS

Ineco carried out its social action with a series of activities throughout 2011. The company participated in numerous programmes for social development in collaboration with various organisations. As mentioned previously, the framework for all these measures is the company's CR Plan, which is updated annually by including issues that have been detected in previous years.

### ► Solidarity Euro for childhood assistance

In 2011, Ineco promoted a new edition of the "Solidarity Euro": a stable channel of participation where employees donate a part of their monthly salary to finance a project that has been chosen previously by vote. Ineco, in turn, agrees to double the contributions of its employees up to a certain maximum.

In 2011, the campaign headed by Doctors without Borders linked to the Child Malnutrition project in Degehabur (Ethiopia) was completed. This campaign achieved a contribution of 21,780.50 euros from employees and was doubled by the company, financing health care for 1117 children.

A new campaign was started in July 2011 and will be active until June 2012. By means of a contest, Ineco employees chose the Child Malnutrition project in Darbhanga (India), also headed by Doctors without Borders, as the beneficiary of this campaign.

► **Hiking**  
for the disabled

Work with disabled persons is also essential for Ineco. The company collaborates in the integration of this collective in the job market and society through various initiatives, such as sports. In 2011, Ineco sponsored a programme titled Adapted Hiking Sessions organised by the Fundación Deporte y Desafío (Sports and Challenge Foundation). Within its corporate volunteer programme, it provided a team of volunteers who participated in these activities during their work schedule.

► **Promentor**  
training for the integration of the disabled

Ineco also collaborates with the Prodis Foundation through the Promentor programme, which provides specific training for people with intellectual disabilities to promote their integration into the job market. The Foundation has created its own degree with collaboration from the General Foundation of the Autonomous University of Madrid and Ineco collaborates by providing a grant for two young people to be included in its staff.

► **Training**  
for youths at risk of social exclusion

Ineco is committed to assisting young people at risk of exclusion through training programmes that help them find a job and develop their professional careers. The company supports the Fundación Norte Joven by teaching an education module on various aspects of basic finances (payrolls, current accounts, bank loans, etc.). Likewise, the professionals at Ineco have organised training sessions in groups where job interviews are simulated, in order to help youngsters face their first job interview successfully.

► **Contribution**  
to the food bank

This year, Ineco participated in Operación Kilo in collaboration with the Madrid Food Bank by collecting food from its employees. This food was intended to be distributed in homeless kitchens, kitchens for children and teenagers, shelters and aid centres.

► **Protection**  
of the environment

As regards protection of the environment, Ineco collaborates with Asociación Madre Coraje by means of corporate volunteers, helping it to legalise its administrative situation regarding the Autonomous Community of Madrid for approval as a Hazardous Waste Manager. It also collaborates with the Association to set up a recycling centre in its facilities.

► **Aid**

in the event of an emergency

Ineco maintains a Collaboration Agreement with the Red Cross, thus adding its efforts to the Emergency Aid Fund and is committed to communicate calls for collaboration in emergency situations among its employees through various channels.

► **Collaboration**  
with NGOs

During 2011, Ineco renewed its Collaboration Agreements with Fundación Lealtad (a collaborating institution) and with Ongawa (previously known as Engineering without Borders). The mission of this organisation is to finance engineering projects, which Ineco supports by disseminating its activities during its orientation sessions.

Ineco contributes to the mission of other NGOs and foundations such as Amigos de los Mayores (Friends of the Elderly), Apsuria, Acción contra el Hambre (Action against Hunger) or Unicef by means of activities such as organising a sports tournament to collect funds, distributing Christmas presents or putting in place a donations programme.

## SUMMARY OF SOCIAL ACTION

- Company adhered to the United Nations Global Compact
- Agreement with Engineering without Borders: Donations to finance engineering projects and support and dissemination of information regarding said organisation via orientation sessions
- Agreement with Fundación Lealtad: collaborating institution
- Agreement with the Spanish Red Cross: Emergency Aid Fund
- Agreement with Fundación Prodis: Integration of two disabled young people in the company workforce and a grant for two students
- Agreement with Fundación Norte Joven: Grants for two students
- Agreement with Doctors without Borders: Euro Solidario Campaign
- Adapted hiking campaigns Fundación Deporte y Desafío (Corporate Volunteers)
- Group dynamics Fundación Norte Joven (Corporate Volunteers)
- Finance training module Fundación Norte Joven (Corporate Volunteers)
- Sports tournament for fund raising Acción contra el Hambre (Action Against Hunger)
- Donations programme to improve integration: Fundación Apsuria and Amigos de los Mayores
- Professional aid programme with Fundación Madre Coraje
- Operación Kilo Madrid Food Bank
- Three Kings Campaign: Solidarity purchases from NGOs: from Unicef in 2011
- Information dissemination programme via iSolidaria (intranet) and the itransport: magazine: free dissemination of information provided by foundations and NGOs

## KNOWLEDGE AND TRAINING FOR A SOCIETY IN THE FUTURE

One of the main aims of Ineco's commitment with society is the company's commitment to the dissemination of knowledge about the transport sector. To this end, Ineco relies on the Carlos Roa Workshop, a forum for debating and spreading knowledge oriented towards using Ineco's position as a leading company in the transport engineering and consulting sector to promote the spread and debate of ideas and theories associated with the sector.

During 2011, the Carlos Roa Workshop maintained the agreements signed with the Engineering School of the Polytechnic University of Madrid for the Transport Economics Chair and continued the Laboratorio de Estudios de la Euroregión Galicia-Norte de Portugal (LEER) (Study Laboratory for the Galicia-North of Portugal Euro Region) in collaboration with the University of Santiago de Compostela and its agreement with the Advanced Technical School for Design Engineering of the Polytechnic University of Valencia. In addition, a new agreement has been signed with the University of Almeria for the creation of the new Logistics Chair of Andalusia.

In 2011, the Carlos Roa Workshop also held several debate seminars, some of which were in collaboration with organisations such as the Observatory for Industrial Technology Foresight or the Observatory for Sustainability in Spain, covering matters of interest that affect building infrastructures for current and future societies:

- ▶ Transport. A prospective view.
- ▶ The bicycle in the city.
- ▶ Logistics and railways.
- ▶ Challenges facing the Single European Airspace.
- ▶ Seminar "The new railway framework and its application to safety and interoperability".

In each case, books containing the presentations have been published to achieve the maximum level of dissemination of the debates.

Another of the activities of the Carlos Roa Workshop was the breakfast with experts on "Urban Tolls". The activity focused on the presentation "Urban Transport Tariffs: synthesis and results", which analysed the possibilities and conditions of the eventual implementation of urban toll systems in Spanish cities.

### PUBLICATIONS

The Carlos Roa Workshop published 2 books in 2011:

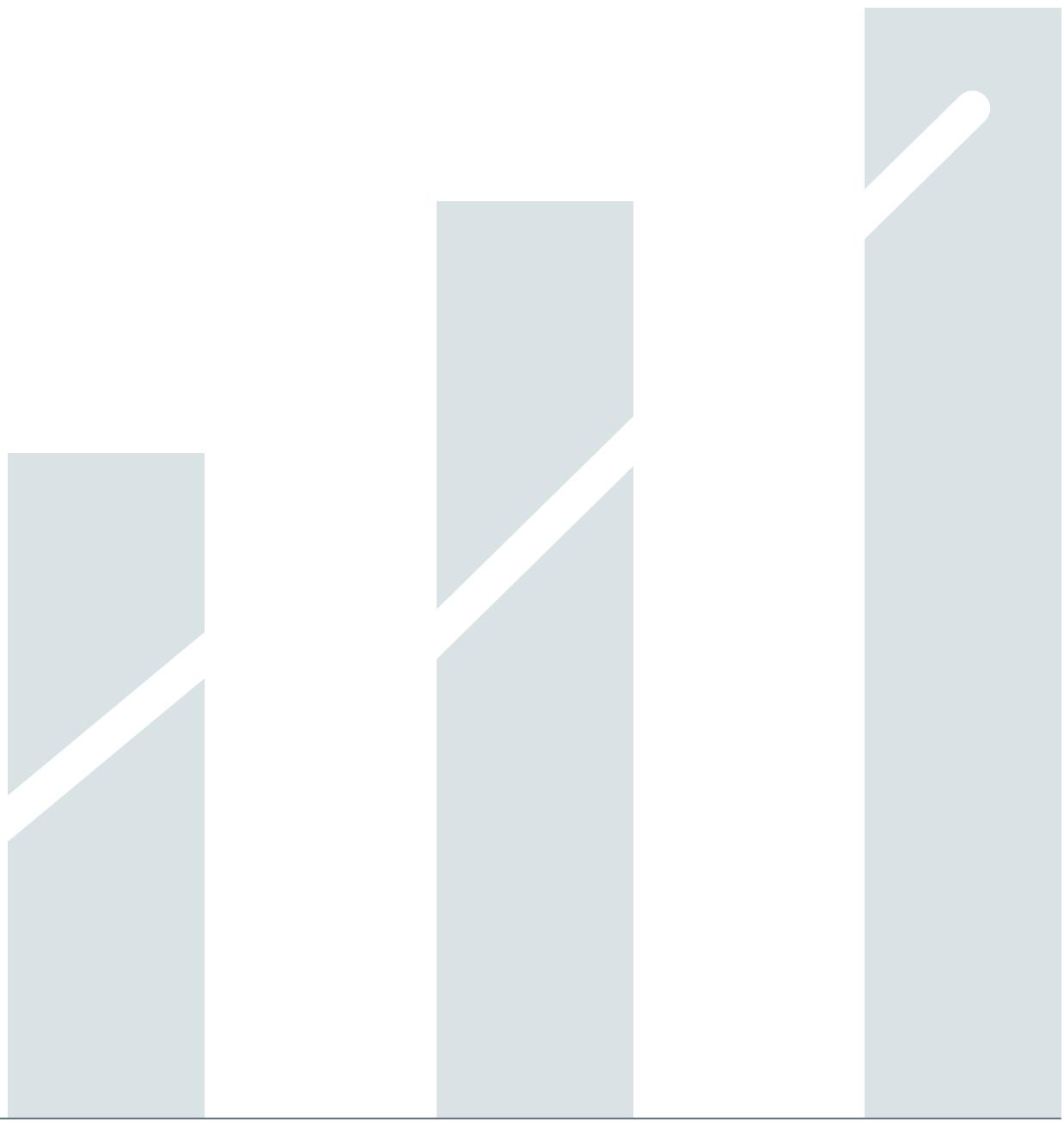
- ▶ Seis ingenieros vivos (Six living engineers), by César Lanza.
- ▶ El sentido del camino (The meaning of the road), by José Ramón Menéndez Luarca.

The company also sponsored the publication of a third book:

- ▶ El emperador descalzo (The barefoot emperor), by Philip Marsden.

During 2011, the Carlos Roa Workshop awarded several prizes associated with publications: "Prize for the best article in the Civil Engineering Journal" and the "Prize for the best aeronautic article published in 2010" in specialised journals. Awards were also given for academic achievement: Award for the best end-of-master's dissertation and investigative training project 2009-2010; Award for the best grades obtained in the Airports speciality of Aeronautical Engineering from the Polytechnic University of Valencia; Ineco Award for academic merit in Airports and Aerial Navigation; and the Ineco Award for the best dissertation of the year 2010-2011 of the Ineco Transport Economics Chair from the Polytechnic University of Madrid.

Information on the activity of the Workshop is provided on the Ineco website.



COMMITTED TO SOCIETY

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# 2011

*annual  
report*

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## *Committed to protecting the environment*

### **RESPONSIBLE USE OF LIMITED RESOURCES**

Ineco is committed to acting responsibly towards the environment in order to minimise the environmental impact associated with the use of its facilities, its activity, its processes and the services it provides. For this purpose, the company has established a Quality and Environment Policy that spells out its commitment to sustainable practice and serves as a guide for company management.

### **MASTER PLAN AND ADHESION TO CERTIFIED STANDARDS**

This commitment is based on the effective implementation of the Master Plan for Quality and the Environment. From a strategic viewpoint, this Plan deals specifically with actions that pursue excellence in Ineco management. The objective of these actions is to achieve process efficiency and to encourage an environmental culture that increases client satisfaction and obtains the recognition of our groups of interest (employees, society, clients, shareholders and suppliers).

The Plan is prepared by the Quality and Environment Committee of the company, which is responsible for the periodical review of environmental policy. Management of environmental matters in the company is headed by the Corporate Resources Department.



COMMITTED TO PROTECTING THE ENVIRONMENT

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The objectives of this Master Plan are the constant improvement of all things affected by environmental management and the dissemination of the sustainability principles associated with the environment.

Furthermore, another objective of Ineco's environmental policy is to establish the operational criteria required for the prevention and control of emissions, spills, waste, noise or any other activity that might harm the environment, thus achieving continuous improvement in the quality of our services and the environment. On the other hand, the studies carried out by the organisation include environmental impact studies performed by a production unit specialised in the environment.

Among the master plans that deal with environmental improvement strategies, there is the special objective of establishing a cross-section training plan for the quality and environment system. This plan will include a training and awareness programme for technicians in the company whose work is directly involved in projects, works and maintenance, among other areas.

Environmental risk analysis and assessment associated with Ineco's business are reviewed periodically, depending on the progress of the environmental impact of Ineco's activities, products or services. This systematic review allows the company to concentrate its efforts on planning training and establishing specific and realistic actions and objectives. Significant environmental risks caused by Ineco's activity have not been detected.

Likewise, the management system includes procedures that specify the training and environmental awareness process that is to be followed. It also includes putting in place corrective, preventive and improvement measures.

Since 2003, the year in which Ineco received its Aenor certificate for standard UNE-EN ISO 14001 regarding environmental management systems, the pertinent measures for the reduction in CO<sub>2</sub> emissions have been taken and current levels are practically optimum.

Emissions into the atmosphere generated as a result of consumption of electricity remain under 20% of total emissions since 2008. The remaining 80% comprises the direct emissions from the boiler of the building at Paseo de la Habana, in Madrid, and the use of vehicles.

The objective approved by the Committee in 2012 is to reduce fuel consumption and vehicle emissions by establishing initiatives such as "car pooling".

#### SDE: INTERNATIONAL INITIATIVE

As regards the environment, Ineco has signed a collaboration agreement to promote the international solar home competition "Solar Decathlon Europe" (SDE). The SDE, organised by the Ministry of Development with the collaboration of the Polytechnic University of Madrid, is a competition between universities throughout the world and consists of designing and building prototypes of homes that use solar energy as their power source.

## MANAGEMENT FOCUSED ON ENVIRONMENTAL RESPONSIBILITY

In all its areas of activity, Ineco management takes into consideration objectives and strategies to reduce energy consumption and compensate for emissions.

The company has established an annual R+D project centred on the improvement of the company's environmental management. The development of this project has required the collaboration of experts, professors and researchers who share their knowledge via a variety of publications.

Apart from the systematic control of emissions, energy and raw material consumption, the company's objectives include the preparation and dissemination of Environmental Good Practices Guides for the various activities that take place within the organisation. This covers the company's main facilities and offices as well as field work and facility maintenance tasks.

The purpose of these Guides is to provide our personnel with general criteria to minimise the environmental impact of their activities and actions, according to the requirements of the Environmental Management System.

As explained in the following section of this chapter, Ineco applies specific measures to ensure responsible and efficient waste management. An example of this is the donation of electric and electronic equipment that cannot be reused in the company to charitable foundations and NGOs.

The Quality and Environment Policy defines the company's commitment to protecting the environment. This Policy is available on the Ineco website and on the company's intranet. It is appropriate to highlight the following objectives:

- ▶ To ensure that the services provided by Ineco will comply with all the legal and environmental regulation requirements corresponding to its activities, as well as with any other requirement demanded by the organisation.
- ▶ To establish the necessary operational criteria for the prevention and control of emissions, spillages, waste, noise and any other circumstance that may be harmful to the environment.
- ▶ To have the necessary resources available to achieve the levels of quality agreed with the client and to promote the appropriate and rational use of these resources (energy, paper, consumables, etc.) and recovery and recycling in all those activities where this is possible.
- ▶ To require suppliers of Ineco goods and services to provide the same guarantee regarding quality and respect towards the environment that Ineco provides to its customers and to society in general.
- ▶ To encourage internal and external communication regarding issues concerning the environment.
- ▶ To train, involve and motivate all personnel in the achievement of the objectives defined and to encourage their participation.

## FOUR PILLARS: SERVICES, RESOURCES, WASTE AND PROCESSES

The most important aspects of practical sustainability applied in the activity of the company result in the responsible use of available resources, such as energy, diesel fuel, paper, water, etc., adequate waste management and giving priority to environmental aspects when providing services or the practical requirements of employees and suppliers.

### Responsible use of resources

One of Ineco's most important priorities is the responsible use of resources. As a result, Ineco has rationalised its consumption of natural resources and established control and follow-up procedures for energy and raw material consumption. Likewise, the company applies specific measures to reduce emissions to the atmosphere, the reduction of environmental impact by managing the waste generated in its facilities and establishing measures to minimise environmental risk in emergency situations.

In particular, they include awareness campaigns or the implementation of a system for proper waste management by the removal of waste by authorised waste management firms.

In short, thanks to the various actions put in place by Ineco, paper consumption fell in comparison with the previous year by 22.4%, electricity consumption was reduced by 17% and water consumption dropped by 16%.

#### ***Consumption of the following items has been reduced:***

**Paper: 22.4%**

**Electricity: 17%**

**Water: 16%**

Specifically, the purchase of white paper (A3 and A4) was 48.8 tonnes in 2011 versus 62.9 tonnes in 2010, a reduction of 22.4%. Project information is preferably delivered on CDs to reduce the use of paper to a minimum.

The reduction in paper consumption also affects savings in printer ink consumption. Toner consumption in 2011 fell by 19.5% (1825 cartridges in 2011).

**- 48.8 tonnes of paper in 2011, down 22.4% -**

In 2011, Ineco purchased 34,315 kg of office material, of which 281kg or 0.81% corresponded to reused or recycled materials.

Mean consumption of diesel fuel in Ineco offices is 10,000 litres per year (1380 GJ). This consumption remains stable due to the proper maintenance carried out in the facilities. This consumption corresponds to the heating system installed in Ineco's main offices.

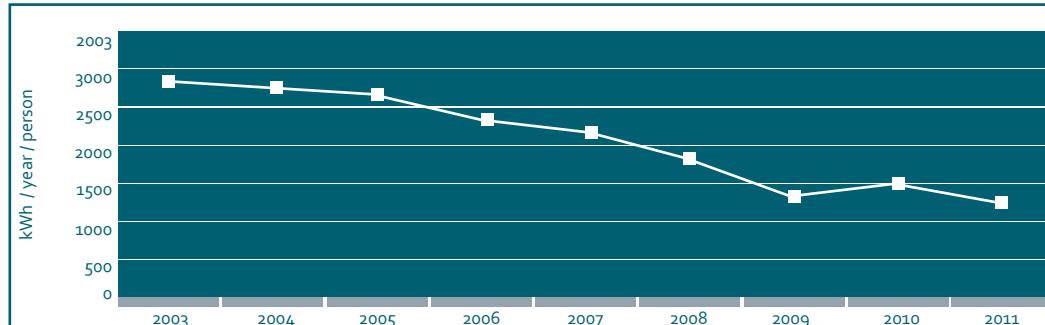
The consumption of vehicle fuel is 2172.5 litres/vehicle (316.31 GJ/vehicle). Taking into account an average of 659 cars, total fuel consumption is 1,431,695 litres per year (197,573 GJ per year).

The consumption of electricity at the Ineco facilities in Madrid reached 8242.5 GJ in 2011, approximately 4.6656 GJ annually per individual.

### ***Direct consumption of energy broken down by primary sources***

| SITE                            | UNIT                 | YEAR |      |      |      |      |      |      |      |      |
|---------------------------------|----------------------|------|------|------|------|------|------|------|------|------|
|                                 |                      | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Total energy consumption Madrid | KWh / year / persons | 2865 | 2723 | 2647 | 2439 | 2186 | 1824 | 1436 | 1518 | 1296 |

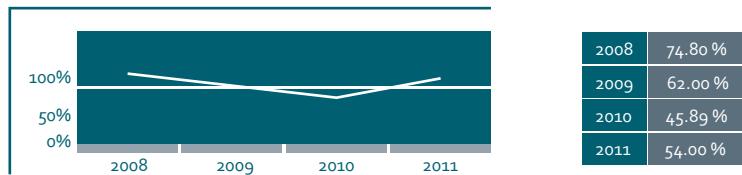
### ***Evolution of energy consumption***



### ***Active in the reduction of atmospheric emissions***

Atmospheric emissions generated as a result of Ineco's different activities are indirect. These emissions are derived from the consumption of electrical energy and air and rail travel; they represent 54% of the company's total CO<sub>2</sub> emissions (the sum total of direct and indirect emissions).

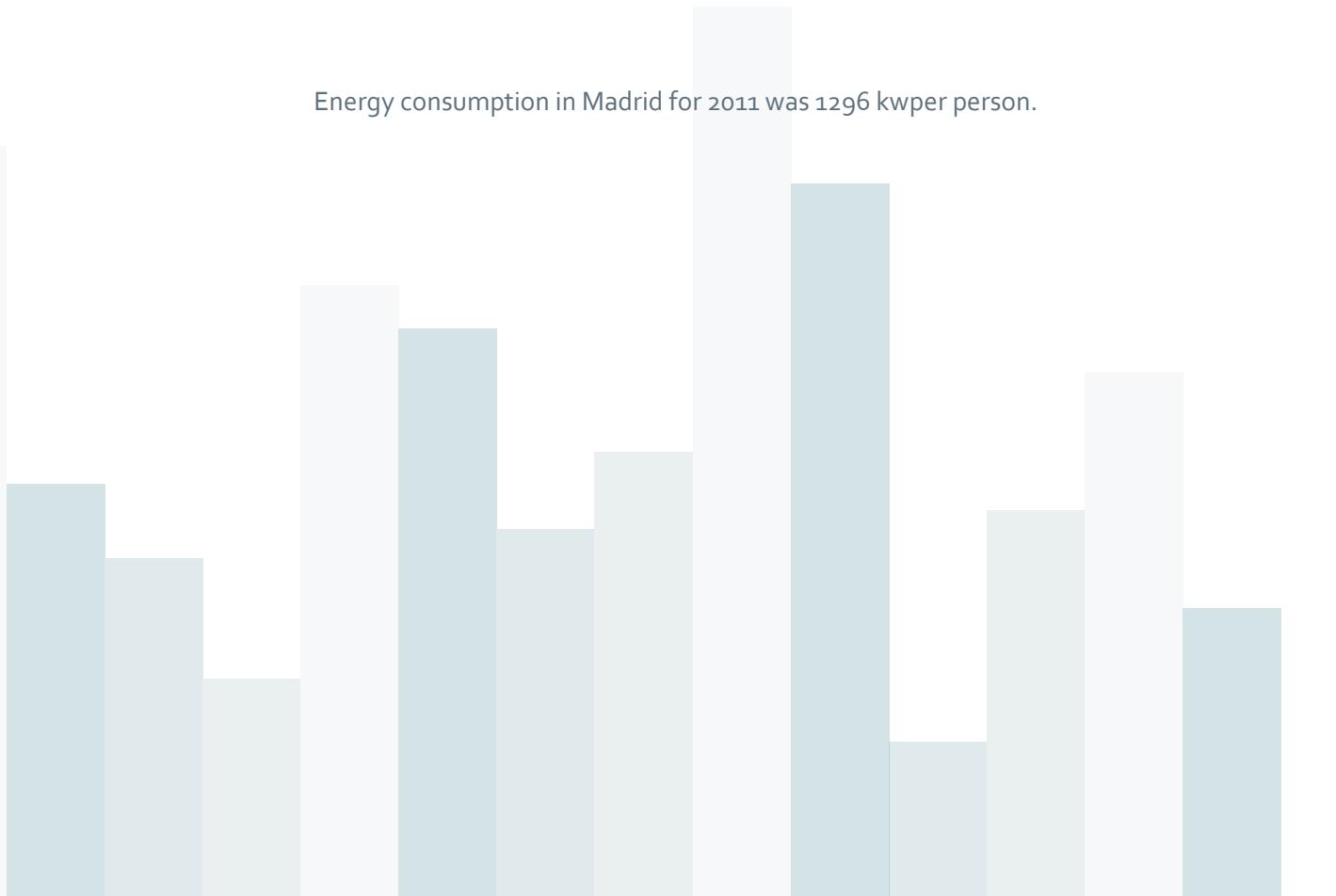
## *Evolution of indirect CO2 emissions*



## *Evolution of direct CO2 emissions*

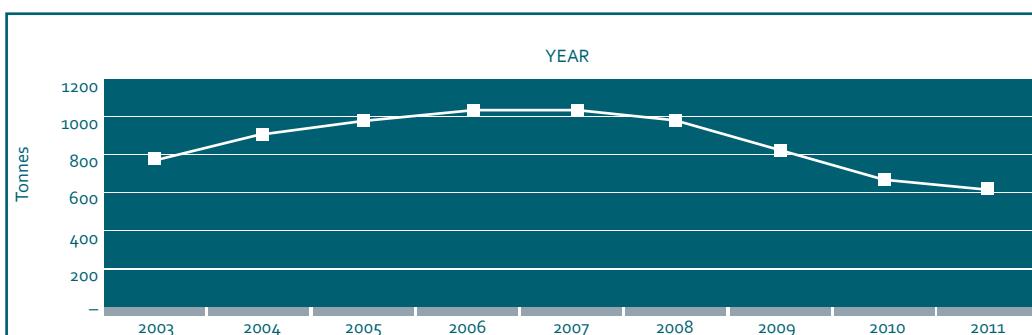


Energy consumption in Madrid for 2011 was 1296 kwper person.



*Evolution of CO<sub>2</sub> emissions (due to energy consumption in Madrid)*

| SITE  | UNIT   | YEAR  |       |       |       |       |       |       |       |       |
|---|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|   |        | 2.003 | 2.004 | 2.005 | 2.006 | 2.007 | 2.008 | 2.009 | 2.010 | 2.011 |
| CO <sub>2</sub> EQUIVALENT<br>TO COMPENSATE<br>MADRID | TONNES | 784   | 913   | 981   | 1.027 | 1.030 | 972   | 830   | 653   | 618   |

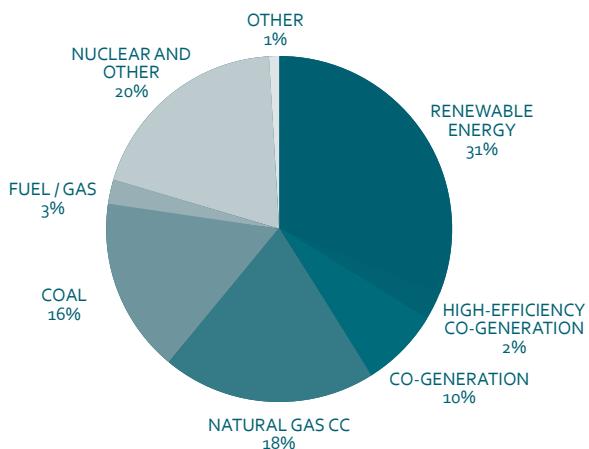


- Total emissions in 2011 were 8240.83 tonnes of co<sub>2</sub>equivalent: 3791 due to consumption by vehicles and heating fuel consumption by the central offices, in addition to 649.6 due to energy consumption and 3800 due to air and train travel -

| SPANISH ENERGY MIX |                               |
|--------------------|-------------------------------|
| 31.1 %             | RENEWABLE ENERGY              |
| 2.4 %              | HIGH-EFFICIENCY CO-GENERATION |
| 9.8 %              | CO-GENERATION                 |
| 17.6 %             | NATURAL GAS CC                |
| 15.6 %             | COAL                          |
| 2.5 %              | FUEL / GAS                    |
| 19.8 %             | NUCLEAR AND OTHER             |
| 1.2 %              | OTHER                         |

SOURCE: NATIONAL ENERGY COMMISSION

## Spanish energy mix



Ineco compensates for part of its emissions with projects such as the installation of solar panels in the offices located at Paseo de la Habana, which produced 129,672 GJ in 2011. Ineco sells this energy surplus to Gas Natural S.U.R. SDG, S.A., thereby closing the energy cycle and obtaining a profitable generation of energy surplus.

### - The solar panels in the ineco offices generate 129,672 gj per year -

Ineco has formally established its objective "To reduce the consumption of fuel and emissions to the atmosphere caused by operating vehicles" approved by the Quality and Environment Committee in 2012 in order to achieve continuous improvement in the environmental management of corporate activities.

The "Car Pool" campaign has been continued with this purpose in mind. This initiative intends to encourage the rational use of vehicles, so that users who share the same routes to and from work can agree on sharing a single vehicle. This initiative has been well-received by Ineco employees and the employees have a management tool at their disposal on the intranet that can be used to organise the routes and vehicles.

Along the same lines of attempts to reduce CO<sub>2</sub> vehicle emissions, Ineco has distributed and promoted a series of guidelines for good practices in the use of company vehicles.

The company encourages the use of public transport and bicycle when possible and has prepared areas for parking bicycles in its head offices.

CO<sub>2</sub> equivalent, as regards vehicle consumption, was 3765 tonnes.

#### CONVERSION METHOD

To obtain the data for equivalent CO<sub>2</sub> the following website was used: [www.ceroco2.org](http://www.ceroco2.org) as the conversion method. This page facilitates the calculation of emissions to the atmosphere in tonnes of CO<sub>2</sub>, per consumption of electricity, heating fuel oil, diesel used for road travel and air and train travel.

#### *- Compared to 2010 energy consumption in madrid was reduced by 5.4% in 2011 -*

Other measures designed to reduce emissions were the installation of light sensors in the meeting rooms of the main building and the use of solar panels to heat the water in the restrooms. In addition, computers and computer screens were replaced by more energy-efficient equipment and LED bulbs were placed in the main office.

It should be noted that concern for the environment is one of the values present in the everyday work of Ineco's human resources: in fact, the proposals for saving in consumables and paper or the initiatives for less pollutant transport to and from work have been in response to the suggestions made by Ineco workers via the Suggestions Box.

Lastly, mean consumption of our most precious asset, water, in 2011 was two cubic metres per employee per day. Total consumption was 3018 cubic metres per year and represented savings of 9.5% compared to the previous year \*.

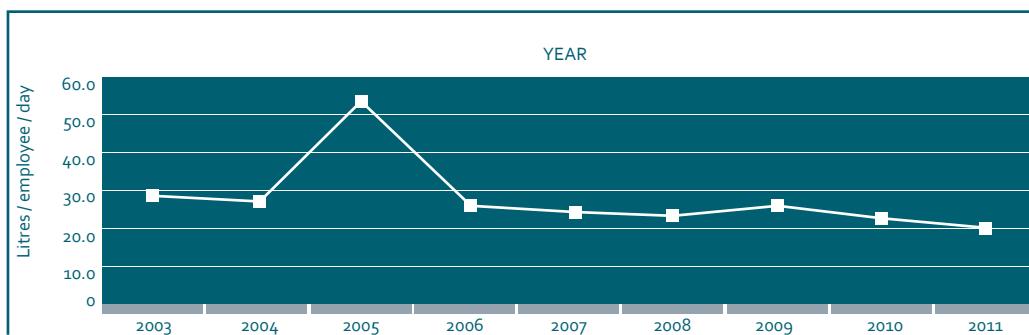
The main use of water in the facilities of the central Ineco offices are those of the restrooms and cleaning of the facilities, all of which comes from the public water supply. The water consumed is not recycled or reused internally.

\*Figures corresponding to the central Ineco building, supplied by the public mains network.

## *Water consumption in central offices in Paseo de la Habana, Madrid*

| SITE  | UNIT                            | YEAR |      |      |      |      |      |      |      |      |
|---|---------------------------------|------|------|------|------|------|------|------|------|------|
|   |                                 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Total water consumption in Paseo de la Habana | litres average / employee / day | 29.2 | 27.6 | 52.0 | 26.0 | 25.0 | 22.0 | 25.0 | 23.0 | 19.7 |

## *Evolution of water consumption*



It has been estimated that the percentage of waste water is approximately 90% of total water consumption, due to the nature of the company and the use of this element. Therefore, in 2011 Ineco has dumped approximately 2716 cubic metres of water.

### COMMITMENT TO CLEAN AND SUSTAINABLE ENERGY

Ineco works to constantly improve its processes and facilities, considering the maximum yield of its energy resources, with preference for renewable resources and the enhancement of sustainable energy.

## PROPER MANAGEMENT OF WASTE

Ineco has implemented a system for proper waste management according to waste type, either through authorised waste management companies or by means of a cleaning service. Thus, hazardous waste is removed by authorised waste managers according to current legislation. Solid or urban waste is removed by the public waste collection service. Lastly, the waste generated in maintenance work on facilities is the responsibility of subcontractor companies. The corresponding contracts include specific clauses that ensure compliance with current legislation.

As regards the management of waste generated in offices, Ineco also has a system that facilitates paper and cardboard recycling. Thanks to this system it is estimated that 286 tonnes of this type of waste was recycled in 2011, by a company contracted for said purpose.

### **- 286 tonnes of paper and cardboard recycled in 2011 -**

In 2011, the Ineco facilities cleaning and maintenance tasks generated the following subcategories of waste: cleaning product containers (15 kg per year), fluorescent tubes (48 kg per year), batteries (104 kg per year), empty toner cartridges (524 kg per year) and computer equipment (2467 kg per year). Therefore, waste generated by the company in 2011 totaled 289.1 tonnes.

#### GENERATION OF CLEANING AND MAINTENANCE WASTE PER YEAR

15 kg of cleaning products  
48 kg of fluorescent tubes  
104 kg of batteries  
524 kg of toner and ink cartridges  
2467 kg of computer equipment  
**TOTAL: 3.1 TONNES**

The control of emissions, dumping, waste and noise or any other item that is harmful to the environment is a constant concern in the projects developed by Ineco, since this provides value-added in sustainability to the end client.

## REQUIREMENTS IN DAY-TO-DAY TASKS FOR EMPLOYEES AND SUPPLIERS

Good environmental practices are also part of the training programme and the dissemination of values among Ineco employees; this also takes into account the supplier communications and selection policy. Environmental criteria have been established for the qualification and selection of suppliers.

In order to foster a responsible environmental policy at each stage of the production process, Ineco stages a yearly savings and sustainability campaign to promote the environmental commitment of its personnel by establishing and disseminating environmental good practices guides.

The organisation has a preventive culture that respects the environment and therefore establishes a yearly Environmental Management Programme that includes activities that contribute the tools required for proper management:

- ▶ Awareness and Training in Environmental Management of Projects.
- ▶ Annual programme for the communication of the Quality and Environment Management System via the intranet.
- ▶ Setting up and propagation of the Environmental Good Practices Guides.
- ▶ Implementation of the procedures for proper compliance with the requirements established in the Environmental Management System.

The programme also includes the implementation of the procedures for proper compliance with the requirements established in the Environmental Management System in:

- ▶ The preparation of studies and projects as well as on-site technical support activities (POM-05 Operational Control of Projects and Works).
- ▶ The identification and evaluation of direct and indirect environmental aspects associated with planned or unplanned activities (incidents and emergencies) related to Ineco activities and which can be controlled or influenced (PGM-01 Identification and Assessment of Environmental Aspects).
- ▶ A systematic method of action in the event of an accident or emergency situation in Ineco facilities that could have environmental consequences (POM-04 procedure for Action in the event of Accidents with Environmental Consequences).
- ▶ The purchase of goods and contracting work and services that includes the classification and evaluation of suppliers to ensure that they follow the guidelines indicated by Ineco's top management, based on objective criteria of quality and environmental commitments that are required internally.

Ineco also applies its environmental criteria to its projects by providing a team specialised in:

- ▶ Environmental consulting: environmental impact studies; implementation, maintenance and audits of environmental management systems; environmental surveillance at work sites; plans and projects for acoustic insulation and reduction of atmospheric contamination; environmental and geographic information systems; engineering and environmental management.
- ▶ Environmental management of work sites; environmental maintenance projects; environmental integration annexes and environmental impact studies; environmental maintenance planning in infrastructures; control and follow-up of environmental surveillance programmes.



COMMITTED TO PROTECTING THE ENVIRONMENT

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ineco



## *Committed to our suppliers*

TEAMWORK FOR OPTIMAL BUSINESS PRACTICE

### **- Ineco works with 82 main suppliers\* -**

Ineco suppliers play a key part in the development of its activity and are an integral part of the company's business practice through teamwork and their inclusion in the work processes and protocols. Furthermore, suppliers are one of the stakeholders via which a constant flow of communication and collaboration make it possible for the company and the quality of each product and service to improve on a daily basis.

In order to facilitate and improve communication with stakeholders, a process of strategic consideration takes place during which the channels for information exchange are established to gather the concerns of all the parties involved. In the specific case of suppliers, opinions are gathered via the corporate website and daily contact with the Purchasing Unit, meetings and reciprocal visits between companies. Accordingly, Ineco makes it easier for the parties to obtain knowledge about each other and stimulates the circulation of information.

\* With amounts over 200,000 euros.



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COMMITTED TO OUR SUPPLIERS

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## SELECTION AND CERTIFICATION

The contracting conditions published on the company's website indicate that the subcontracted company must guarantee fulfillment of the specific commitments instructed to the supplier by Ineco, or those published on the company's website, as well as those contained in the Integrity, Transparency and Commitment Standards. Contracts with main suppliers and subcontractors have not been rejected and are not subject to performance conditions.

Due to precaution in the event of environmental risks, Ineco applies a supplier selection and certification policy according to environmental criteria. Among the requirements for the purchase of goods and contracting work and services, suppliers are classified and evaluated in order to guarantee that, as an integral part of Ineco production processes, they follow the guidelines indicated by the company's senior management. Ineco suppliers guarantee compliance with the objective quality and environmental criteria that are required internally.

## COMMUNICATION, EQUALITY AND TRANSPARENCY

Ineco's commitment to its suppliers also results in various policies and rules that guarantee the three basic principles that govern their relationship:

### Publicity principle

The Ineco website provides suppliers with updated information on the procurement processes and the general principles that govern the relationship between the company and its suppliers. The Ineco procurement processes are published on the Public Procurement Platform ([www.contrataciondelestado.es](http://www.contrataciondelestado.es)) and on the company's website, as well as the additional means of publicity that are specified for contracts derived from management orders.

### Principles of participation, equality and non-discrimination

The company's participation and non-discrimination policy for suppliers guarantees that the companies interested in collaborating with Ineco receive the appropriate information, resources and treatment to safeguard equal opportunities between national and international suppliers. Ineco has established a list of suppliers' rights that reflects this fairness principle:

- ▶ Free access to the contract by any company.
- ▶ A non-discriminatory description of the purpose of the contract.
- ▶ Equal access for economic operators from all the Member States of the European Union.
- ▶ Mutual recognition of degrees, certificates and other diplomas.
- ▶ The prohibition of providing information in a discriminatory manner that may grant advantages to certain bidders over other bidders.

## Principle of transparency

In order to provide accessible information and equal opportunity, Ineco also understands transparency as a basic principle in its relationship with its suppliers. This transparency applies to both efficient communication and the management of procurement processes.

To this end, Ineco has established five mandatory points for all procurement processes:

- ▶ The companies interested in opting for the award of a contract are guaranteed knowledge of and access to the rules that apply to the award process. These rules are applied equally to all candidate companies.
- ▶ The deadlines established for the presentation of bids are adequate and sufficient for companies to carry out a proper assessment and to submit their bids according to the criteria and objectives of each project.
- ▶ The criteria that Ineco applies in the evaluation of the bids in each case are meticulously established prior to the publication of the proposal and can be accessed by all the interested companies.
- ▶ Ineco clearly determines the body that is responsible for preparing the contract award proposal and the body that will award the contract prior to the evaluation of proposals.
- ▶ Ineco awards each contract according to the bid that is most favourable in economic terms, as long as it meets the objective bid evaluation criteria that have been specifically established for each project.

### CONTRACTS IN 2011

#### FOR AMOUNTS OVER 18,000 €

Number of dossiers: 309

Of which:

Directly awarded: 44

Extensions: 57

Requests for bids: 106

Website tenders: 102

Total amount: 77,941,907.66 €

#### FOR AMOUNTS UNDER 18,000 €

Number of dossiers: 1127

Total amount: 6,775,581.22 €

- In 2011, 92% of Ineco's volume of purchases was provided by Spanish (local) suppliers -

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COMMITTED TO OUR SUPPLIERS

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# *About this report*

## INDEX

Scope

Integration of both UN Global Compact and GRI indicators

Global Reporting Initiative (GRI) indicator's index

## Scope

This Annual Report covers Ineco's main business in Spain and the international market in 2011. This is the company's first Sustainability Report and was prepared following the recommendations and principles of version G3.1 of the Global Reporting Initiative, the international standard for sustainability reports, earning an A-level rating. It was not subjected to external assurance.

Likewise, it addresses the concerns of the Progress Report required for adherence to the Principles of the United Nations Global Compact. These reports are to be submitted annually.

The preparation of this Annual Report took into account the Strategic Plan and the Corporate Responsibility Policy, which defines how social, employment and environmental concerns are integrated into the company's strategy.

As this is the company's first Sustainability Report, Ineco has included, where possible, information from previous years, as it understands that this helps put the information in context. The company has reformulated the figures submitted in the previous financial year to adapt them to GRI indicators. Nevertheless, it will be necessary to wait for future editions to expand its scope and thereby set out comparisons and complete trends.

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**Communication Department:** [violeta.larrad@ineco.es](mailto:violeta.larrad@ineco.es)

## INTEGRATION OF BOTH UN GLOBAL COMPACT AND GRI INDICATORS

| INTEGRATION OF BOTH UN GLOBAL COMPACT AND GRI INDICATORS   |   |
|--|---|
| PRINCIPLES OF UN GLOBAL COMPACT  | GRI INDICATORS  |
| <b>PRINCIPLE 1</b>   |   |
| Businesses should support and respect the protection of internationally proclaimed human rights.                         | 1.1, LA <sub>3</sub> , LA <sub>4</sub> , LA <sub>6</sub> , HR <sub>1</sub> , HR <sub>2</sub> , HR <sub>3</sub> , HR <sub>4</sub> , HR <sub>5</sub> , HR <sub>6</sub> , HR <sub>7</sub> , HR <sub>8</sub> , HR <sub>9</sub>                          |
| <b>PRINCIPLE 2</b>   |   |
| Businesses should make sure that they are not complicit in human rights abuses.  | 1.1, HR <sub>1</sub> , HR <sub>2</sub> , HR <sub>3</sub> , HR <sub>4</sub> , HR <sub>5</sub> , HR <sub>6</sub> , HR <sub>7</sub> , HR <sub>8</sub> , HR <sub>9</sub>  |
| <b>PRINCIPLE 3</b>   |   |
| Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | 1.1, LA <sub>3</sub> , LA <sub>4</sub> , LA <sub>5</sub> , HR <sub>1</sub> , HR <sub>2</sub> , HR <sub>3</sub> , HR <sub>5</sub>  |
| <b>PRINCIPLE 4</b>   |   |
| Businesses should uphold the elimination of all forms of forced and compulsory labour.                                   | 1.1, HR <sub>1</sub> , HR <sub>2</sub> , HR <sub>3</sub> , HR <sub>7</sub>  |
| <b>PRINCIPLE 5</b>   |   |
| Businesses should uphold the effective abolition of child labour.  | 1.1, HR <sub>1</sub> , HR <sub>2</sub> , HR <sub>3</sub> , HR <sub>6</sub>  |
| <b>PRINCIPLE 6</b>   |   |
| Businesses should uphold the elimination of discrimination in respect of employment and occupation.                      | 1.1, LA <sub>6</sub> , LA <sub>13</sub> , LA <sub>14</sub> , HR <sub>1</sub> , HR <sub>2</sub> , HR <sub>3</sub> , HR <sub>4</sub>  |
| <b>PRINCIPLE 7</b>   |   |
| Businesses should support a precautionary approach to environmental challenges.  | 1.1, 1.2, EN <sub>1</sub> , EN <sub>2</sub> , EN <sub>9</sub> , EN <sub>18</sub> , EN <sub>26</sub>   |
| <b>PRINCIPLE 8</b>   |   |
| Businesses should undertake initiatives to promote greater environmental responsibility.                                 | 1.2, EN <sub>2</sub> , EN <sub>3</sub> , EN <sub>4</sub> , EN <sub>5</sub> , EN <sub>6</sub> , EN <sub>7</sub> , EN <sub>16</sub> , EN <sub>18</sub> , EN <sub>19</sub> , EN <sub>20</sub> , EN <sub>22</sub> , EN <sub>24</sub> , EN <sub>25</sub> |
| <b>PRINCIPLE 9</b>   |   |
| Businesses should encourage the development and diffusion of environmentally friendly technologies.                      | 1.2, EN <sub>5</sub> , EN <sub>6</sub> , EN <sub>7</sub> , EN <sub>8</sub> , EN <sub>9</sub> , EN <sub>18</sub> , EN <sub>26</sub>  |
| <b>PRINCIPLE 10</b>  |   |
| Businesses should work against corruption in all its forms, including extortion and bribery.                             | 1.1, 1.2, SO <sub>1</sub> , SO <sub>2</sub> , SO <sub>3</sub> , SO <sub>4</sub> , SO <sub>5</sub> , SO <sub>6</sub>   |

## G3.1 CONTENT INDEX

### STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

| DESCRIPTION   | INF. | CROSS - REFERENCE / DIRECT ANSWER  | IF APPLICABLE, INDICATE THE PART NOT REPORTED | REASON FOR OMISSION | EXPLANATION |
|---|------|--|---|---------------------|-------------|
| <b>1. STRATEGY AND ANALYSIS</b>   |      |  |   |                     |             |
| 1.1 Statement from the most senior decision-maker of the organization   |      | 14, 15   |   |                     |             |
| 1.2 Description of key impacts, risks and opportunities   |      | The employees' right of association is fully recognised at Ineco and no factor exists that could endanger this right, as demonstrated by the relationship of mutual trust and fluid dialogue between the parties. Ineco also conducts surveys regarding the working environment and no significant risks with respect to Human Rights have been detected. 90, 91, 110, 112, 128, 139, 148, 150 |   |                     |             |
| <b>2. ORGANIZATIONAL PROFILE</b>  |      |  |   |                     |             |
| 2.1 Name of the organization  |      | INECO. Ingeniería y Economía del Transporte, S.A. 10, 11   |   |                     |             |
| 2.2 Primary brands, products and/or services  |      | 11, 21   |   |                     |             |
| 2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures   |      | 11, 12, 13, 16, 17   |   |                     |             |
| 2.4 Location of organization's headquarters   |      | Paseo de la Habana, 138, Madrid, 28036   |   |                     |             |
| 2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report |      | 12, 13   |   |                     |             |
| 2.6 Nature of ownership and legal form  |      | State-owned Entity. Joint Stock Corporation  |   |                     |             |
| 2.7 Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)  |      | 12, 13, 92   |   |                     |             |
| 2.8 Scale of the reporting organization   |      | 4, 5, 6, 7, 8, 9, 104, 107   |   |                     |             |
| 2.9 Significant changes during the reporting period regarding size, structure or ownership  |      | No significant changes have been made to the structure in the course of the financial year   |   |                     |             |
| 2.10 Awards received in the reporting period  |      | Recognitions: "Advanced Company in the United Nations Global Compact", "Top Employer" and "European Business Awards". 15, 96, 120  |   |                     |             |
| <b>3. REPORT PARAMETERS</b>   |      |  |   |                     |             |
| 3.1 Reporting period (e.g, fiscal/calendar year) for information provided   |      | 172  |   |                     |             |
| 3.2 Date of most recent previous report (if any)  |      | 172  |   |                     |             |
| 3.3 Reporting cycle (annual, biennial, etc)   |      | 172  |   |                     |             |
| 3.4 Contact point for questions regarding the report or its contents  |      | 172  |   |                     |             |
| 3.5 Process for defining report content   |      | NOTE 1. 14, 15, 172  |   |                     |             |
| 3.6 Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)  |      | 172  |   |                     |             |

**NOTE 1.** Ineco has prepared its first Sustainability Report, integrating this with the Annual Report the company has been making public for years. The material issues covered in the report were determined based on its activities as a company providing aeronautical, railway, urban transport, roads and ports services. Additionally, as a public company, we wish to communicate our commitment to integrity and transparency with customers, employees, society, the environment and suppliers. In order to give a balanced and reasonable view of Ineco's performance, this report is based on the new version of Sustainability Reporting Guidelines, G3.1 of the Global Reporting Initiative, in accordance with the following principles:

- Materiality. The information provided in this report covers and endeavours to respond to all indicators set out in the G3.1 guidelines. Materiality has been determined based on an analysis of the group's activity, its impact on stakeholders, interaction with the environment and an analysis of risks and opportunities of the trends affecting the organisation which may influence sustainability issues
- Completeness. The publication provides coverage of the indicators and material issues sufficient to enable stakeholders to assess Ineco's performance during 2011
- Comparability. The information, wherever possible, is presented in a manner that permits comparison and enables stakeholders to analyse changes in Ineco over the last three years (2011, 2010 and 2009).
- Scope. There are no joint ventures, subsidiaries, leased facilities, subcontracted activities or other entities covered in the report which may be capable of affecting the comparability thereof
- Accuracy and clarity. The reported information is sufficiently accurate and detailed for stakeholders to assess Ineco's performance
- Timeliness. Ineco is publishing its first Sustainability Report, integrating this with the Annual Report that the company has been making public for years
- Reliability. The information provided has not been independently verified. GRI has classified this report with an Application Level A

## G3.1 CONTENT INDEX

## STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

| DESCRIPTION   | INF. | CROSS - REFERENCE / DIRECT ANSWER  | IF APPLICABLE,<br>INDICATE THE PART<br>NOT REPORTED | REASON<br>FOR<br>OMISSION | EXPLANATION |
|---|------|--|---|---------------------------|-------------|
| <b>3.7</b> State any specific limitations on the scope or boundary of the report  |      | <input checked="" type="checkbox"/> There are no limitations to the scope or cover of the aspects  |   |                           |             |
| <b>3.8</b> Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations                        |      | <input checked="" type="checkbox"/> 172  |   |                           |             |
| <b>3.9</b> Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report                                |      | <input checked="" type="checkbox"/> When necessary, the data measurement techniques and calculation bases are specified with the indicators throughout the report. 172   |   |                           |             |
| <b>3.10</b> Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods) |      | <input checked="" type="checkbox"/> 172  |   |                           |             |
| <b>3.11</b> Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report  |      | <input checked="" type="checkbox"/> There have been no changes   |   |                           |             |
| <b>3.12</b> Table identifying the location of the Standard Disclosures in the report  |      | <input checked="" type="checkbox"/> 173  |   |                           |             |
| <b>3.13</b> Policy and current practice with regard to seeking external assurance for the report  |      | <input checked="" type="checkbox"/> 172  |   |                           |             |
| <b>4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>  |      |  |   |                           |             |
| <b>4.1</b> Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight  |      | <input checked="" type="checkbox"/> 104  |   |                           |             |
| <b>4.2</b> Indicate whether the Chair of the highest governance body is also an executive officer   |      | <input checked="" type="checkbox"/> 101 - 105  |   |                           |             |
| <b>4.3</b> For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members   |      | <input checked="" type="checkbox"/> 104  |   |                           |             |
| <b>4.4</b> Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body   |      | <input checked="" type="checkbox"/> 98, 99, 100, 102, 104, 122, 127, 128, 140, 161   |   |                           |             |
| <b>4.5</b> Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)       |      | <input checked="" type="checkbox"/> The board members have the right to a per diem for attending Board Meetings, as well as compensation for travel expenses related to attendance, in accordance with Article 28 of Royal Decree 462/2002, dated 24 May, concerning compensation related to services, and Article 9 of Law 5/2006, dated 10 April, regulating conflicts of interests among members of the government and senior officials of the General State Administration |   |                           |             |
| <b>4.6</b> Processes in place for the highest governance body to ensure conflicts of interest are avoided   |      | <input checked="" type="checkbox"/> Any possible conflicts of interest between members of the Board of Directors and the Company shall be resolved under the provisions of Law 30/92, dated 26 November, on the Legal System Governing Public Administrations, and Articles 28 and 29 of the Common Administrative Procedure. 92, 98   |   |                           |             |
| <b>4.7</b> Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity                       |      | <input checked="" type="checkbox"/> The members of the highest governing body are professionals of recognised prestige in the sector. 104  |   |                           |             |
| <b>4.8</b> Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation  |      | <input checked="" type="checkbox"/> 88, 90, 99   |   |                           |             |

COMPLETE

NOT REPORTED

NAv: Not available / NAp: Not applicable / NM: Non material

## G3.1 CONTENT INDEX

### STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

| DESCRIPTION  | INF.                                | CROSS - REFERENCE / DIRECT ANSWER   | IF APPLICABLE,<br>INDICATE THE PART<br>NOT REPORTED | REASON<br>FOR<br>OMISSION | EXPLANATION |
|--|-------------------------------------|---|---|---------------------------|-------------|
| <b>4.9</b> Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles | <input checked="" type="checkbox"/> | 96, 98, 101, 104, 140   |   |                           |             |
| <b>4.10</b> Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance   | <input checked="" type="checkbox"/> | There are no such processes due to Ineco's nature as a State-owned entity |   |                           |             |
| <b>4.11</b> Explanation of whether and how the precautionary approach or principle is addressed by the organization  | <input checked="" type="checkbox"/> | 106, 160  |   |                           |             |
| <b>4.12</b> Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses   | <input checked="" type="checkbox"/> | 106, 140 - 142  |   |                           |             |
| <b>4.13</b> Memberships in associations (such as industry associations) and/or national/international advocacy organizations which the organization supports   | <input checked="" type="checkbox"/> | 138   |   |                           |             |
| <b>4.14</b> List of stakeholder groups engaged by the organization   | <input checked="" type="checkbox"/> | 100   |   |                           |             |
| <b>4.15</b> Basis for identification and selection of stakeholders with whom to engage   | <input checked="" type="checkbox"/> | 100   |   |                           |             |
| <b>4.16</b> Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group   | <input checked="" type="checkbox"/> | 100, 104, 115, 122, 127, 128, 164   |   |                           |             |
| <b>4.17</b> Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting   | <input checked="" type="checkbox"/> | 115, 122, 126, 164  |   |                           |             |

### STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

| DESCRIPTION   | INF.                                | CROSS - REFERENCE / DIRECT ANSWER  | IF APPLICABLE,<br>INDICATE THE PART<br>NOT REPORTED | REASON<br>FOR<br>OMISSION | EXPLANATION | TO BE REPORTED IN |
|---|-------------------------------------|--|---|---------------------------|-------------|-------------------|
| <b>ECONOMIC. DISCLOSURE ON MANAGEMENT APPROACH EC. PAGE. 106, 107</b>       |                                     |  |   |                           |             |                   |
| Economic performance  | <input checked="" type="checkbox"/> | 106, 107   |   |                           |             |                   |
| Market presence   | <input checked="" type="checkbox"/> | 12, 91, 92   |   |                           |             |                   |
| Indirect economic impacts   | <input checked="" type="checkbox"/> | 107  |   |                           |             |                   |
| <b>ENVIRONMENTAL. DISCLOSURE ON MANAGEMENT APPROACH EN. PAGE. 148 - 153</b> |                                     |  |   |                           |             |                   |
| Materials   | <input checked="" type="checkbox"/> | 152, 153   |   |                           |             |                   |
| Energy  | <input checked="" type="checkbox"/> | 152 - 156  |   |                           |             |                   |
| Water   | <input checked="" type="checkbox"/> | 157, 158   |   |                           |             |                   |
| Biodiversity  | <input checked="" type="checkbox"/> | Ineco does not operate in any area with high biodiversity and therefore has no management approach to said issue   |   |                           |             |                   |
| Emissions, effluents and waste  | <input checked="" type="checkbox"/> | 152 - 155, 159   |   |                           |             |                   |
| Products and services   | <input checked="" type="checkbox"/> | As a service company, Ineco does not quantify products sold that are recovered at the end of their service life  |   |                           |             |                   |
| Compliance  | <input checked="" type="checkbox"/> | Ineco strictly complies with current environmental regulations. Thus it complies with legal stipulations related to waste management, which is the area with the greatest significance given the activity of the company. It is also committed to taking actions beyond those required by law to help minimise the impact of its business on the environment |   |                           |             |                   |
| Transport   | <input checked="" type="checkbox"/> | Ineco causes no significant environmental impacts on the transport of products and other goods   |   |                           |             |                   |
| Overall   | <input checked="" type="checkbox"/> | 151  |   |                           |             |                   |

## GLOBAL REPORTING INITIATIVE (GRI) INDICATOR'S INDEX

 COMPLETE

 NOT REPORTED

NAv: Not available / NAp: Not applicable / NM: Non material

### G3.1 CONTENT INDEX

#### STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

| DESCRIPTION  | INF.  | CROSS - REFERENCE / DIRECT ANSWER                                     | IF APPLICABLE,<br>INDICATE THE PART<br>NOT REPORTED | REASON<br>FOR<br>OMISSION | EXPLANATION | TO BE REPORTED IN |
|--|---|---|---|---------------------------|-------------|-------------------|
| <b>LABOR PRACTICES AND DECENT WORK. DISCLOSURE ON MANAGEMENT APPROACH LA. PAGE. 120 - 123</b>  |   |   |   |                           |             |                   |
| Employment   |    | 120 - 126   |   |                           |             |                   |
| Labor/management relations   |    | 120 - 122   |   |                           |             |                   |
| Occupational health and safety   |    | 130, 131  |   |                           |             |                   |
| Training and education   |    | 123 - 125   |   |                           |             |                   |
| Diversity and equal opportunity  |    | 128 - 130   |   |                           |             |                   |
| Equal remuneration for women and men   |    | 128 - 130   |   |                           |             |                   |
| <b>HUMAN RIGHTS. DISCLOSURE ON MANAGEMENT APPROACH HR. PAGE. 98, 99, 140</b>   |   |   |   |                           |             |                   |
| Investment and procurement practices   |    | 98, 99  |   |                           |             |                   |
| Non-discrimination   |    | 120 - 122, 128  |   |                           |             |                   |
| Freedom of association and collective bargaining   |    | 122, 131  |   |                           |             |                   |
| Child labor  |    | Signatory to the Global Compact                                       |   |                           |             |                   |
| Prevention of forced and compulsory labor  |    | Signatory to the Global Compact                                       |   |                           |             |                   |
| Security practices   |    | Signatory to the Global Compact                                       |   |                           |             |                   |
| Indigenous rights  |   | There have been no violations of the rights of indigenous populations |   |                           |             |                   |
| Assessment   |  | Signatory to the Global Compact. 98 - 100                             |   |                           |             |                   |
| Remediation  |  | Signatory to the Global Compact. 98 - 100, 140                        |   |                           |             |                   |
| <b>SOCIETY. DISCLOSURE ON MANAGEMENT APPROACH SO. PAGE. 134 - 137, 140 - 142</b>   |   |   |   |                           |             |                   |
| Local communities  |  | 134 - 137   |   |                           |             |                   |
| Corruption   |  | 91, 92, 100, 101, 102   |   |                           |             |                   |
| Public policy  |  | 98, 99, 100   |   |                           |             |                   |
| Anti-competitive behaviour   |  | 98, 99, 100, 106  |   |                           |             |                   |
| Compliance   |  | 98, 99, 100   |   |                           |             |                   |
| <b>PRODUCT RESPONSABILITY. DISCLOSURE ON MANAGEMENT APPROACH PR. PAGE. 88 - 92</b>   |   |   |   |                           |             |                   |
| Customer health and safety   |  | 110 - 115   |   |                           |             |                   |
| Product and service labelling  |  | No labelling required. Comply with regulations                        |   |                           |             |                   |
| Marketing communications   |  | 110 - 115   |   |                           |             |                   |
| Customer privacy   |  | 110 - 115   |   |                           |             |                   |
| Compliance   |  | Complies with regulations   |   |                           |             |                   |
| <b>STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS</b>   |   |   |   |                           |             |                   |
| <b>ECONOMIC PERFORMANCE</b>  |   |   |   |                           |             |                   |
| <b>EC1.</b> Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments |  | 107   |   |                           |             |                   |
| <b>EC2.</b> Financial implications and other risks and opportunities for the organization's activities due to climate change   |  | 113, 150, 160   |   |                           |             |                   |

## G3.1 CONTENT INDEX

### STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

| DESCRIPTION   | INF.                                | CROSS - REFERENCE / DIRECT ANSWER   | IF APPLICABLE,<br>INDICATE THE PART<br>NOT REPORTED | REASON<br>FOR<br>OMISSION | EXPLANATION                      | TO BE REPORTED IN |
|---|-------------------------------------|---|---|---------------------------|----------------------------------|-------------------|
| <b>EC3.</b> Coverage of the organization's defined benefit plan obligations   | <input type="checkbox"/>            |   |   | NAv                       | Ineco has no retirement schemes. |                   |
| <b>EC4.</b> Ayudas financieras significativas recibidas de gobiernos  | <input checked="" type="checkbox"/> | Ineco received € 135,337 in subsidies (CEDITIL). 107  |   |                           |                                  |                   |
| <b>MARKET PRESENCE</b>  |                                     |   |   |                           |                                  |                   |
| <b>EC5.</b> Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation                                     | <input checked="" type="checkbox"/> | The initial salary is always higher or equal to the minimum local professional salary. Furthermore, Ineco does not carry out significant operations of an international nature. 122 |   |                           |                                  |                   |
| <b>EC6.</b> Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation  | <input checked="" type="checkbox"/> | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. 167   |   |                           |                                  |                   |
| <b>EC7.</b> Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation                            | <input checked="" type="checkbox"/> | Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation  |   |                           |                                  |                   |
| <b>INDIRECT ECONOMIC IMPACTS</b>  |                                     |   |   |                           |                                  |                   |
| <b>EC8.</b> Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement      | <input checked="" type="checkbox"/> | Ineco does not make investments   |   |                           |                                  |                   |
| <b>EC9.</b> Understanding and describing significant indirect economic impacts, including the extent of impacts   | <input type="checkbox"/>            |   |   | NAv                       |                                  |                   |
| <b>ENVIRONMENTAL</b>  |                                     |   |   |                           |                                  |                   |
| <b>Materials</b>  |                                     |   |   |                           |                                  |                   |
| <b>EN1.</b> Materials used by weight or volume  | <input checked="" type="checkbox"/> | 152   |   |                           |                                  |                   |
| <b>EN2.</b> Percentage of materials used that are recycled input materials  | <input checked="" type="checkbox"/> | 152   |   |                           |                                  |                   |
| <b>Energy</b>   |                                     |   |   |                           |                                  |                   |
| <b>EN3.</b> Direct energy consumption by primary energy source  | <input checked="" type="checkbox"/> | Because of the nature of its activity, only diesel is consumed at its installations. 152, 153   |   |                           |                                  |                   |
| <b>EN4.</b> Indirect energy consumption by primary source   | <input checked="" type="checkbox"/> | Because of the nature of its activity, only energy is consumed at its installations. 155, 156   |   |                           |                                  |                   |
| <b>EN5.</b> Energy saved due to conservation and efficiency improvements  | <input checked="" type="checkbox"/> | 113, 152, 156, 157  |   |                           |                                  |                   |
| <b>EN6.</b> Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives | <input checked="" type="checkbox"/> | 152, 156, 157   |   |                           |                                  |                   |
| <b>EN7.</b> Initiatives to reduce indirect energy consumption and reductions achieved   | <input checked="" type="checkbox"/> | 157   |   |                           |                                  |                   |
| <b>Water</b>  |                                     |   |   |                           |                                  |                   |
| <b>EN8.</b> Total water withdrawal by source  | <input checked="" type="checkbox"/> | 157, 158  |   |                           |                                  |                   |
| <b>EN9.</b> Water sources significantly affected by withdrawal of water   | <input checked="" type="checkbox"/> | Due to the nature of Ineco's business, neither water sources nor related ecosystems are affected in any significant way   |   |                           |                                  |                   |
| <b>EN10.</b> Percentage and total volume of water recycled and reused   | <input checked="" type="checkbox"/> | Ineco does not recycle or reuse water. 158  |   |                           |                                  |                   |

## G3.1 CONTENT INDEX

## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

| DESCRIPTION   | INF. | CROSS - REFERENCE / DIRECT ANSWER   | IF APPLICABLE,<br>INDICATE THE PART<br>NOT REPORTED | REASON<br>FOR<br>OMISSION | EXPLANATION | TO BE REPORTED IN |
|---|------|---|---|---------------------------|-------------|-------------------|
| <b>Biodiversity</b>   |      |   |   |                           |             |                   |
| <b>EN11.</b> Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas  |      | All company facilities are located in urban or industrial areas far away from protected natural spaces and therefore the company's impact on biodiversity in its area is zero   |   |                           |             |                   |
| <b>EN12.</b> Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas                                     |      | All company facilities are located in urban or industrial areas far away from protected natural spaces and therefore the company's impact on biodiversity in its area is zero   |   |                           |             |                   |
| <b>EN13.</b> Habitats protected or restored   |      | Due to the nature of Ineco's business, it has no specific strategy for the prevention, management or restoration of damage to natural habitats. This is part of the company's environmental policy, which minimises environmental impact through various initiatives already mentioned in this report |   |                           |             |                   |
| <b>EN14.</b> Strategies, current actions, and future plans for managing impacts on biodiversity   |      | Due to the nature of Ineco's business, it has no specific strategy for the prevention, management or restoration of damage to natural habitats. This is part of the company's environmental policy, which minimises environmental impact through various initiatives already mentioned in this report |   |                           |             |                   |
| <b>EN15.</b> Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk  |      | Ineco's business does not affect any habitat with species included on the IUCN Red List   |   |                           |             |                   |
| <b>Emissions, effluents and waste</b>   |      |   |   |                           |             |                   |
| <b>EN16.</b> Total direct and indirect greenhouse gas emissions by weight   |      | 157   |   |                           |             |                   |
| <b>EN17.</b> Other relevant indirect greenhouse gas emissions by weight   |      | Ineco does not generate significant greenhouse gas emissions apart from the CO <sub>2</sub> emissions already reported.<br>150  |   |                           |             |                   |
| <b>EN18.</b> Initiatives to reduce greenhouse gas emissions and reductions achieved   |      | 150, 154, 156, 157  |   |                           |             |                   |
| <b>EN19.</b> Emissions of ozone-depleting substances by weight  |      | As an engineering service company, Ineco produces electronic or paper documents and therefore has no emissions of these substances. The organisation does not use CFCs, the main substance responsible for destroying the ozone layer   |   |                           |             |                   |
| <b>EN20.</b> NO, SO, and other significant air emissions by type and weight   |      | Ineco does not produce significant atmospheric emissions related to the consumption of fossil fuels   |   |                           |             |                   |
| <b>EN21.</b> Total water discharge by quality and destination   |      | There have been no discharges. 158  |   |                           |             |                   |
| <b>EN22.</b> Total weight of waste by type and disposal method  |      | 159   |   |                           |             |                   |
| <b>EN23.</b> Total number and volume of significant spills  |      | There have been no accidental spillages   |   |                           |             |                   |
| <b>EN24.</b> Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally |      | Transport of dangerous waste (cleaning products, fluorescent tubes, batteries, toner, ink cartridges and computer equipment) is carried out by an authorised waste-management agent   |   |                           |             |                   |
| <b>EN25.</b> Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff                          |      | The organisation's activity is engineering and the use of effluent discharge is comparable to domestic use and, therefore, has no impact on protected bodies of water or those with high value in terms of biodiversity   |   |                           |             |                   |

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### STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

| DESCRIPTION   | INF. | CROSS - REFERENCE / DIRECT ANSWER       | IF APPLICABLE,<br>INDICATE THE PART<br>NOT REPORTED  | REASON<br>FOR<br>OMISSION | EXPLANATION  | TO BE REPORTED IN |  |
|---|------|---|--|---------------------------|--|-------------------|--|
| <b>Products and services</b>  |      |   |  |                           |  |                   |  |
| <b>EN26.</b> Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation  |      | <input checked="" type="checkbox"/> 160 |  |                           |  |                   |  |
| <b>EN27.</b> Percentage of products sold and their packaging materials that are reclaimed by category   |      | <input type="checkbox"/>                |  | NAv                       | As a service provider company, the quantification of sold products retrieved at the end of their useful life is not applicable | 2013              |  |
| <b>Compliance</b>   |      |   |  |                           |  |                   |  |
| <b>EN28.</b> Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations                                  |      | <input checked="" type="checkbox"/>     | Ineco declares that it has not identified any noncompliance with current environmental laws or regulations and has not been subject to any type of administrative or legal penalty   |                           |  |                   |  |
| <b>Transport</b>  |      |   |  |                           |  |                   |  |
| <b>EN29.</b> Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce |      | <input checked="" type="checkbox"/>     | Ineco has no significant environmental impact on the transport of products and other goods   |                           |  |                   |  |
| <b>Overall</b>  |      |   |  |                           |  |                   |  |
| <b>EN30.</b> Total environmental protection expenditures and investments by type  |      | <input type="checkbox"/>                |  | NAv                       |  | 2013              |  |
| <b>SOCIAL: LABOR PRACTICES AND DECENT WORK</b>  |      |   |  |                           |  |                   |  |
| <b>Employment</b>   |      |   |  |                           |  |                   |  |
| <b>LA1.</b> Total workforce by employment type, employment contract, and region, broken down by gender  |      | <input checked="" type="checkbox"/>     | Employees with open-ended contracts account for 72.36% of Ineco's total workforce. The percentage of temporary workers is 27.64%. 126  |                           |  |                   |  |
| <b>LA2.</b> Total number and rate of new employee hires and employee turnover by age group, gender, and region  |      | <input checked="" type="checkbox"/>     | 126  |                           |  |                   |  |
| <b>LA3.</b> Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation                                    |      | <input checked="" type="checkbox"/>     | 122  |                           |  |                   |  |
| <b>LA5.</b> Return to work and retention rates after parental leave, by gender  |      | <input checked="" type="checkbox"/>     | 128  |                           |  |                   |  |
| <b>Labor/management relations</b>   |      |   |  |                           |  |                   |  |
| <b>LA4.</b> Percentage of employees covered by collective bargaining agreements   |      | <input checked="" type="checkbox"/>     | 122, 131   |                           |  |                   |  |
| <b>LA5.</b> Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements  |      | <input checked="" type="checkbox"/>     | Ineco complies with the minimum number of weeks of advance notice to workers and their elected representatives as provided in the Workers' Statute:<br><br><ul style="list-style-type: none"> <li>• Terminations: 15 days for individuals and 30 for collectives</li> <li>• Suspensions and modifications: 30 days for individuals and 15 for collectives.</li> </ul> The collective bargaining agreement for the sector does not specify the minimum term of notice and/or provisions for consultation and negotiations |                           |  |                   |  |

## G3.1 CONTENT INDEX

### STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

| DESCRIPTION   | INF. | CROSS - REFERENCE / DIRECT ANSWER                                     | IF APPLICABLE,<br>INDICATE THE PART<br>NOT REPORTED | REASON<br>FOR<br>OMISSION | EXPLANATION | TO BE REPORTED IN |
|---|------|---|---|---------------------------|-------------|-------------------|
| <b>Occupational health and safety</b>   |      |   |   |                           |             |                   |
| <b>LA6.</b> Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs  |      | <input checked="" type="checkbox"/> 131                               |   |                           |             |                   |
| <b>LA7.</b> Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender  |      | <input checked="" type="checkbox"/> NOTE 2                            |   |                           |             |                   |
| <b>LA8.</b> Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases  |      | <input checked="" type="checkbox"/> 131                               |   |                           |             |                   |
| <b>LA9.</b> Health and safety topics covered in formal agreements with trade unions   |      | <input checked="" type="checkbox"/> 130                               |   |                           |             |                   |
| <b>Training and Education</b>   |      |   |   |                           |             |                   |
| <b>LA10.</b> Average hours of training per year per employee by gender, and by employee category  |      | <input checked="" type="checkbox"/> 124                               |   |                           |             |                   |
| <b>LA11.</b> Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings  |      | <input checked="" type="checkbox"/> 123                               |   |                           |             |                   |
| <b>LA12.</b> Percentage of employees receiving regular performance and career development reviews, by gender  |      | <input checked="" type="checkbox"/> 122, 128, 129                     |   |                           |             |                   |
| <b>Diversity and equal opportunity</b>  |      |   |   |                           |             |                   |
| <b>LA13.</b> Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity   |      | <input checked="" type="checkbox"/> 129                               |   |                           |             |                   |
| <b>Equal remuneration for women and men</b>   |      |   |   |                           |             |                   |
| <b>LA14.</b> Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation   |      | <input type="checkbox"/> NAv  |   |                           | NAv         | NOTE 3            |
| <b>SOCIAL: HUMAN RIGHTS</b>   |      |   |   |                           |             |                   |
| <b>Investment and procurement practices</b>   |      |   |   |                           |             |                   |
| <b>HR1.</b> Porcentaje y número total de acuerdos de inversores y total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening |      | <input checked="" type="checkbox"/> 99, 140                           |   |                           |             |                   |
| <b>HR2.</b> Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken   |      | <input checked="" type="checkbox"/> 164, 166                          |   |                           |             |                   |
| <b>HR3.</b> Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained   |      | <input checked="" type="checkbox"/> 140                               |   |                           |             |                   |
| <b>Non-discrimination</b>   |      |   |   |                           |             |                   |
| <b>HR4.</b> Total number of incidents of discrimination and corrective actions taken  |      | <input checked="" type="checkbox"/> In 2011 there were two cases. 140 |   |                           |             |                   |

**NOTE 2.** The rate of days lost (total number of absences/total hours worked) was 763.8 days in Spain during 2011, 546 of which were taken by male staff members and 217.8 by female. The corresponding data for outside Spain is not significant because the company has almost no staff abroad. By type of absenteeism, the rate was: Work accident: M (21) W (19) Total: 40. Justified absence: M (264) W (465.9) Total: 729.9. Maternity leave: M (108.3) W (161.3) Total: 269.6. Unpaid leave: M (2.3) W (5.6) Total: 7.9. Paid leave: M (279.8) W (207.6) Total: 487.4. There were no fatal accidents

**NOTE 3.** Men and women are paid the same basic wage in accordance with the national collective bargaining agreement for engineering and technical engineering offices. No salary breakdown is available by professional category

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### STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

| DESCRIPTION   | INF. | CROSS - REFERENCE / DIRECT ANSWER   | IF APPLICABLE,<br>INDICATE THE PART<br>NOT REPORTED | REASON<br>FOR<br>OMISSION | EXPLANATION | TO BE REPORTED IN |
|---|------|---|---|---------------------------|-------------|-------------------|
| <b>Freedom and association and collective bargaining</b>  |      |   |   |                           |             |                   |
| <b>HR5.</b> Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights |      | There are no operations that could threaten the right of association and the right to subscribe to collective bargaining agreements. The possibility of forming Inter-centre Company Workers' Committees has been agreed with workers' representatives  |   |                           |             |                   |
| <b>Child labor</b>  |      |   |   |                           |             |                   |
| <b>HR6.</b> Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor                               |      | There are no operations that carry a risk of incidents involving child exploitation   |   |                           |             |                   |
| <b>Prevention of forced and compulsory labor</b>  |      |   |   |                           |             |                   |
| <b>HR7.</b> Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor  |      | There are no operations that carry a risk of incidents involving forced or compulsory labour  |   |                           |             |                   |
| <b>Security Practices</b>   |      |   |   |                           |             |                   |
| <b>HR8.</b> Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations  |      | Security personnel are not Ineco employees. Ineco hires security personnel through external companies authorised by the Directorate- General of Police, which guarantees that they are properly trained for their positions, including training in Human Rights. No training on anti-corruption measures has been given. Training requirements are not applicable to other organisations from which the security personnel is hired |   |                           |             |                   |
| <b>Indigenous rights</b>  |      |   |   |                           |             |                   |
| <b>HR9.</b> Total number of incidents of violations involving rights of indigenous people and actions taken   |      | There have been no violations of the rights of indigenous peoples   |   |                           |             |                   |
| <b>Assessment</b>   |      |   |   |                           |             |                   |
| <b>HR10.</b> Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments   |      | Due to the nature of Ineco's business, the violation of Human Rights is not considered a risk   |   |                           |             |                   |
| <b>Remediation</b>  |      |   |   |                           |             |                   |
| <b>HR11.</b> Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms   |      | There have been no incidents of this type   |   |                           |             |                   |
| <b>SOCIAL: SOCIETY</b>  |      |   |   |                           |             |                   |
| <b>Local communities</b>  |      |   |   |                           |             |                   |
| <b>SO1.</b> Percentage of operations with implemented local community engagement, impact assessments, and development programs  |      | 137   |   |                           |             |                   |
| <b>SO9.</b> Operations with significant potential or actual negative impacts on local communities   |      | 134, 136  |   |                           |             |                   |
| <b>SO10.</b> Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities  |      | 134   |   |                           |             |                   |
| <b>Corruption</b>   |      |   |   |                           |             |                   |
| <b>SO2.</b> Percentage and total number of business units analyzed for risks related to corruption  |      | 101, 137  |   |                           |             |                   |

## G3.1 CONTENT INDEX

## STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

| DESCRIPTION   | INF. | CROSS - REFERENCE / DIRECT ANSWER  | IF APPLICABLE,<br>INDICATE THE PART<br>NOT REPORTED | REASON<br>FOR<br>OMISSION | EXPLANATION | TO BE REPORTED IN |
|---|------|--|---|---------------------------|-------------|-------------------|
| <b>SO3.</b> Percentage of employees trained in organization's anti-corruption policies and procedures   |      | <input checked="" type="checkbox"/> 101  |   |                           |             |                   |
| <b>SO4.</b> Actions taken in response to incidents of corruption  |      | <input checked="" type="checkbox"/> There have been no incidents of corruption during 2011   |   |                           |             |                   |
| <b>Public policy</b>  |      |  |   |                           |             |                   |
| <b>SO5.</b> Public policy positions and participation in public policy development and lobbying   |      | <input checked="" type="checkbox"/> Ineco does not take part in national or international lobbying activities. 104, 137  |   |                           |             |                   |
| <b>SO6.</b> Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country   |      | <input checked="" type="checkbox"/> Ineco has made no financial or in-kind contributions of any type to political parties or related institutions in any country   |   |                           |             |                   |
| <b>Anti-competitive behavior</b>  |      |  |   |                           |             |                   |
| <b>SO7.</b> Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes   |      | <input checked="" type="checkbox"/> None   |   |                           |             |                   |
| <b>Compliance</b>   |      |  |   |                           |             |                   |
| <b>SO8.</b> Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations  |      | <input checked="" type="checkbox"/> There have been no fines or penalties  |   |                           |             |                   |
| <b>SOCIAL: PRODUCT RESPONSIBILITY</b>   |      |  |   |                           |             |                   |
| <b>Customer Health and Safety</b>   |      |  |   |                           |             |                   |
| <b>PR1.</b> Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures |      | <input checked="" type="checkbox"/> 161  |   |                           |             |                   |
| <b>PR2.</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes           |      | <input checked="" type="checkbox"/> There have been no incidents   |   |                           |             |                   |
| <b>Products and service labelling</b>   |      |  |   |                           |             |                   |
| <b>PR3.</b> Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements  |      | <input checked="" type="checkbox"/> The products generated by Ineco are technical documents  |   |                           |             |                   |
| <b>PR4.</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes   |      | <input checked="" type="checkbox"/> There have been no cases of noncompliance  |   |                           |             |                   |
| <b>PR5.</b> Practices related to customer satisfaction, including results of surveys measuring customer satisfaction  |      | <input checked="" type="checkbox"/> 115, 116   |   |                           |             |                   |
| <b>Marketing Communications</b>   |      |  |   |                           |             |                   |
| <b>PR6.</b> Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship   |      | <input checked="" type="checkbox"/> Code of Conduct, CR Policy, Principles of the United Nations Global Compact. Ineco has also distributed a book on non-sexist language among its employees. Codes and standards are constantly revised to adapt them to the current situation. Ineco does not sell products that are prohibited in certain markets or which are the subject of controversy among stakeholders or represent issues for public debate |   |                           |             |                   |

COMPLETE

NOT REPORTED

NAv: Not available / NAp: Not applicable / NM: Non material

## G3.1 CONTENT INDEX

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| <b>PR7.</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes |      | <input checked="" type="checkbox"/> There have been no incidents  |   |                           |             |                   |
| <b>Customer privacy</b>   |      |   |   |                           |             |                   |
| <b>PR8.</b> Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data   |      | <input checked="" type="checkbox"/> In 2011 no claims were filed on these issues  |   |                           |             |                   |
| <b>Compliance</b>   |      |   |   |                           |             |                   |
| <b>PR9.</b> Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services  |      | <input checked="" type="checkbox"/> There have been no significant fines for noncompliance with regulations related to the supply and use of the organisation's products and services |   |                           |             |                   |



# Statement GRI Application Level Check

GRI hereby states that **Ineco S.A.** has presented its report "Annual Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 6 November 2012

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.*  
[www.globalreporting.org](http://www.globalreporting.org)

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 26 October 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

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# 2011 *annual report* ineco

[www.ineco.es](http://www.ineco.es)