The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
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<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>50%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>7</td>
<td>21.4%</td>
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<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>54.2%</td>
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<tr>
<td>Training</td>
<td>5</td>
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<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>42.9%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>41.5%</strong></td>
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</table>
A1:
Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score:

0

Comments:
Based on public information, there is evidence that the company has published a statement from the Chair of the Board supporting the ethics and anti-corruption agenda of the company. However, as the statement was not issued within the last two years the company is unable to score on this question.

References:
Public:
TI notes:
Code of Ethics and Professional Conduct (November 2009), p.2:
'Ever since this business project was born, Indra has shown its commitment towards integrity and professionalism while developing its activity. Since then, our company has grown steadily, and achieved the acknowledgement of customers, shareholders, professionals, and our social environment.
We know that these achievements have only been possible due to the responsible behaviour of our professionals, who performed their obligations guided by integrity, respect and professionalism tenets. This code gathers all those principles deriving from the company’s corporative values, and articulates them so that they can serve as a guide and reinforce our culture and efficient working practices.
The business management and administration team at Indra must continue being an example of the values and principles supporting our company which are the foundations of this code. Our business management and administration team must be at the main transmission channel of our culture, assuring that it is kept alive and transmitted to the professionals becoming part of the company, and at the same time enrich and develop itself with the contributions from everyone.
The Board of Directors assess especially the commitment with the ethic values and principles of behaviour which are demanded to all of us who form Indra and encourages all our professionals to read and apply this code knowing that it will help us achieve our
objectives of a sustainable and steady growth.

Javier Monzón
Chairman'

A2:
Does the company’s Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company’s CEO demonstrates a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company.

References:
NA
A3:
Does the company’s Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company’s CEO demonstrates a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company.

References:
NA
A4:
Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

Score:

1

Comments:

Based on public information, there is evidence that the company publishes a statement of principles representing high standards of ethical business conduct, including integrity and transparency. The Code of Ethics and Professional Conduct explains in-depth why integrity and transparency are important to the company and how employees should implement them in practice. To score higher the company would need to provide evidence of at least one more of the values sought by this question.

References:

Public:
Code of Ethics and Professional Conduct (November 2009), p.2:
'Ever since this business project was born, Indra has shown its commitment towards integrity and professionalism while developing its activity. Since then, our company has grown steadily, and achieved the acknowledgement of customers, shareholders, professionals, and our social environment.
We know that these achievements have only been possible due to the responsible behaviour of our professionals, who performed their obligations guided by integrity, respect and professionalism tenets. This code gathers all those principles deriving from the company’s corporative values, and articulates them so that they can serve as a guide and reinforce our culture and efficient working practices.'

Javier Monzón, Chairman

(p.4): 'Our Work Principles
Indra’s success depends on the performance of all of its professionals and the capacity to project its values and its culture. These two factors go hand in hand. As professionals, we must apply the following work principles in our daily tasks:

Integrity
Integrity means to act in good faith and to establish professional relationships that are based on transparency and ethics, which implies the following, among other attitudes and behaviours:

1. To respect and adhere to all current laws and regulations that apply to us in the countries we operate in, as well as applying the internal procedures and rules that Indra has set forth and the principles of the World Pact*

2. To maintain the information that we work with confidential, including know-how, intellectual and industrial property and other intangible assets that are the property of Indra or of the third parties we work with.

3. To refuse to participate in any acts of bribery when dealing with authorities and/ or government employees or to offer or grant to senior management, employees or external collaborators benefits or advantages of any nature that are outside the realm of lawful market practice or which could be construed as being aimed at inappropriately influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.

4. To refuse to request, accept or receive payments, gifts, attentions, presents or indulgences that are outside the realm of lawful market practice, which are or could be construed as being aimed at influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.

5. To maintain and guarantee impartiality in carrying out our functions, responsibilities and professional decisions, especially in any situation which could involve a conflict of interest. A conflict of interest is understood to be any situation in which the employee could directly or indirectly obtain a personal benefit or could favour his/her own interests as opposed to those of Indra.

6. To appropriately use, take care of and manage the resources (technological, financial and material, among others) that Indra makes available to us to carry out our work.

7. To collaborate in the good working order of the systems for internal control and other procedures designed to identify and correct deficiencies or weaknesses in the compliance, integrity and control systems at Indra.

8. To always transmit truthful and reliable information on our management according to the applicable or generally accepted principles, especially in financial and accounting matters, and to always keep internal and external communications transparent, and based on truthful, validated information.

Brought together in this diagram:
(p.5): 'Professionalism

Professionalism is understood as a proactive attitude in striving for excellence in our performance and it involves the following: '

'4. To show and demand impartiality when faced with third parties and amongst ourselves, as well as to remain independent from any political and/or economic powers.'

(p.6): 'Respect

Respect carries with it an acknowledgement of the value of other people and their work, and of the social and environmental surroundings that we operate in.'
A5:
Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score:

2

Comments:
Based on public information, there is evidence that the company signed the UN Global Compact in 2004.

References:
Public:
Annual Report 2013, p.53:
'In addition to these statements of principles, the company has also joined initiatives like the Global Compact (in 2011) and the Women’s Empowerment Principles.'

Company website: Corporate responsibility and sustainability
'In 2004, Indra signed the United Nations Global Compact and each year it prepares a Progress Report, in which it specifies the advances that are made regarding each principle of this Compact.'
A6:
Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score:

2

Comments:
Based on public information, there is readily available evidence that the company has appointed the Audit and Compliance Committee with overall corporate responsibility for its ethics and anti-corruption agenda. The Committee's tasks include reviewing the internal control and risk management systems, and supervising compliance with the Code of Ethics. As part of this it evaluates employee reports made to the Direct Channel.

References:
Public:
Direct Channel, p.3:
'The creation and contents of the Direct Channel were approved by the Board of Directors in its meeting held in October 2009, subject to the prior Report presented by the Audit and Compliance Commission. This Commission also agreed to set up the Direct Channel once the all the professionals at Indra are made aware of the Code of Ethics and Professional Conduct. This Commission will supervise the Direct Channel operations.'
http://www.indracompany.com/sites/default/files/canal_directo_eng2.pdf

Annual Report 2013, p.37:
The Audit and Compliance Committee's responsibilities include:
• 'To review the internal control and risk management systems
  - To supervise the effectiveness of the company’s internal control, internal audits, and risk management systems
  - To monitor the independence and effectiveness of internal audits
  - To propose the chief auditor and the budget for the internal audit service
  - To ensure that senior managers act on the conclusions and recommendations contained in the reports prepared by the Internal Audit service
  - To establish and supervise the procedure for allowing employees to confidentially report irregularities of a potentially important nature to the
The Appointments, Remuneration and Corporate Governance Committee's responsibilities include:

- To review the corporate governance and corporate responsibility regulations:
  - To periodically analyze the company's policy, rules, procedures, practices, efficiency and compliance in the fields of corporate governance and corporate responsibility.
  - To make recommendations to the board about any necessary changes in the company's corporate governance regulations.

The Appointments, Remuneration and Corporate Governance Committee, which reports directly to the Board of Directors, is responsible for analyzing Indra’s corporate responsibility policies, regulations, procedures and practices. Similarly, one of the duties of the Board of Directors is to approve the general corporate responsibility policies.

Consolidated Directors' Report 2013, p.194:
'Indra has a Code of Ethics and Professional Conduct approved by the Board of Directors and whose implementation and compliance is monitored by the Audit and Compliance Committee.'

(p.197): 'Since 2012 the Company has had a Compliance Unit, under the supervision of the Secretary General, which has as its fundamental mandate the inculcation of principles of professional behaviour contained in the Code of Ethics.'


Activities Report Audit and Compliance Committee 2013, p.7:
'Establish and supervise measures whereby employees can confidentially report any potentially significant irregularities that they detect in the Company, especially those of a financial or accounting nature.'

(p.8): 'The principal matters discussed and analyzed by the Committee during fiscal 2013, and which fall within the Committee’s area of responsibility' include:
'Compliance
- Supervise compliance with the Code of Ethics
-Legal Compliance Unit'

(p.14): 'Supervision of Compliance with the Code of Ethics
The Indra Group has a Code of Ethics and Professional Conduct approved by the Board of Directors and published on the Company intranet (Indraweb), which indicates ethical and responsible behaviour to be followed in pursuit of business activities and in the
management of businesses, by the management team and all of the professionals at Indra and subsidiaries.

With the goal of facilitating communication between Indra and its professionals in matters related to the interpretation and application of the Code of Ethics and Professional Conduct, there is an Oversight Committee, made up of five directors, belonging to operations and corporate divisions as well as the head of the Compliance Unit.

Since October 2009 Indra has had available a complaint line known internally as “Canal Directo,” accessible through the intranet to any interested person who would like to communicate securely and confidentially, but not anonymously, any irregular, unethical or illegal conduct which in the reporters opinion is occurring in the activities of the Company. At the same time, the Canal Directo is also available for answering questions of interpretation or application of the Code of Ethics and professional Conduct.

Since the creation of the Compliance Unit in 2011, analysis of the complaints received through various means, including the Canal Directo is done by this Unit, notwithstanding the fact that its head is also a member of the Oversight Committee, which is informed of the Unit’s handling of the same.

The first task of the Compliance Unit was creation of a Compliance Program containing policies and procedures which embody the values and principles of the Code of Ethics. It is one more step in Indra’s commitment to continuous improvement in order to always meet the highest standards of integrity and professionalism.

The Compliance Unit is the body charged with resolving questions which might arise relating to the application and interpretation of the Compliance Program and which does work dealing with the prevention of fraud.

Report of the Compliance Unit

In meeting its obligation contained in Article 19 of the Board Rules to “…set up and monitor the operation of a procedure that allows employees to notify the Board confidentially of any potential irregularities, particularly of a financial and accounting nature, that may appear within the running of the Company” the head of the Compliance Unit met with the Committee in order to report on the workings of the Canal Directo, the types of complaints received through various means, and measures taken in those cases opened as a result of said complaints.'

A7:
Has the company appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

Score:

1

Comments:
Based on public information, there is evidence that the company has appointed the Chief Compliance Officer with responsibility for implementing the company’s ethics and anti-corruption agenda. The Chief Compliance Officer heads the company’s Compliance Unit. However, the Chief Compliance Office is not identified by name. Non-company information dating from 2011 suggests that the Chief Compliance Officer is Soledad Ramírez Fernández, but whether this is still the case remains unclear. The company therefore scores 1.

References:
Public:
Annual Report 2013, p.34:
The Audit and Compliance Committee Chairman and CEO is Alberto Terol.
The Appointments, Remuneration and Corporate Governance Committee Chairman and CEO is Daniel García - Pita.

(p.37): Audit and Compliance Committee responsibilities include:
- 'To review the internal control and risk management systems
  - To supervise the effectiveness of the company’s internal control, internal audits, and risk management systems
  - To monitor the independence and effectiveness of internal audits
  - To propose the chief auditor and the budget for the internal audit service
  - To ensure that senior managers act on the conclusions and recommendations contained in the reports prepared by the Internal Audit service
  - To establish and supervise the procedure for allowing employees to confidentially report irregularities of a potentially important nature to the committee'
Corporate responsibility is handled by Emma Fernández, General Manager of Talent, Innovation and Strategy.'

Indra also has an internal audit department, reporting to the Audit and Compliance Committee of the Board of Directors, which reviews the company’s processes and units to determine whether the controls for mitigating the inherent risks are sufficient and function correctly.'

Activity Report Audit and Compliance Committee 2011, p.15:
'To meet this need the Committee authorized creation of a Compliance Unit at its February meeting and designated a Chief Compliance Officer to head it up.'


Activities Report Audit and Compliance Committee 2013, p.14:
'Supervision of Compliance with the Code of Ethics

The Indra Group has a Code of Ethics and Professional Conduct approved by the Board of Directors and published on the Company intranet (Indraweb), which indicates ethical and responsible behaviour to be followed in pursuit of business activities and in the management of businesses, by the management team and all of the professionals at Indra and subsidiaries.

With the goal of facilitating communication between Indra and its professionals in matters related to the interpretation and application of the Code of Ethics and Professional Conduct, there is an Oversight Committee, made up of five directors, belonging to operations and corporate divisions as well as the head of the Compliance Unit.

Since October 2009 Indra has had available a complaint line known internally as “Canal Directo,” accessible through the intranet to any interested person who would like to communicate securely and confidentially, but not anonymously, any irregular, unethical or illegal conduct which in the reporter’s opinion is occurring in the activities of the Company. At the same time, the Canal Directo is also available for answering questions of interpretation or application of the Code of Ethics and professional Conduct.

Since the creation of the Compliance Unit in 2011, analysis of the complaints received through various means, including the Canal Directo is done by this Unit, notwithstanding the fact that its head is also a member of the Oversight Committee, which is informed of the Unit’s handling of the same.

The first task of the Compliance Unit was creation of a Compliance Program containing policies and procedures which embody the values and principles of the Code of Ethics. It is one more step in Indra’s commitment to continuous improvement in order to always meet the highest standards of integrity and professionalism.

The Compliance Unit is the body charged with resolving questions which might arise relating to the application and interpretation of the Compliance Program and which does work dealing with the prevention of fraud.
Report of the Compliance Unit

In meeting its obligation contained in Article 19 of the Board Rules to “…set up and monitor the operation of a procedure that allows employees to notify the Board confidentially of any potential irregularities, particularly of a financial and accounting nature, that may appear within the running of the Company” the head of the Compliance Unit met with the Committee in order to report on the workings of the Canal Diredto, the types of complaints received through various means, and measures taken in those cases opened as a result of said complaints.’

Empresas Por La Transparencia Y Contra La Corrupción: El caso de Indra (2011)
Soledad Ramírez Fernández, Chief Compliance Officer
http://www.transparencia.org.es/DESAYUNO-COLOQUIO/Soledad%20Ram%C3%ADrez%20Fern%C3%A1ndez%20-%20INDRA.pdf

Annual Corporate Governance Report 2013, p. 198:
‘Since 2012 the Company has had a Compliance Unit, under the supervision of the Secretary General, which has as its fundamental mandate the inculcation of principles of professional behaviour contained in the Code of Ethics.’
A8:
Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:

1

Comments:
Based on public information, there is some evidence of regular Board level monitoring and review of the performance of the company's ethics and anti-corruption agenda. However, it is unclear in what format the review takes place and who has overall responsibility for programme review. The Audit and Compliance Committee and Tracking/Oversight Committee both review compliance with the Code of Ethics, with the latter producing an annual report. The company therefore scores 1. To score higher the company would need to provide evidence of who has responsibility for a major review of its entire ethics and anti-corruption agenda.

References:
Public:
Annual Report 2013, p.38:
The Appointments, Remuneration and Corporate Governance Committee's responsibilities include:
- 'To review the corporate governance and corporate responsibility regulations:
  o To periodically analyze the company's policy, rules, procedures, practices, efficiency and compliance in the fields of corporate governance and corporate responsibility.
  o To make recommendations to the board about any necessary changes in the company’s corporate governance regulations.'

Activities Report Audit and Compliance Committee 2013, p.8:
'In order to properly plan and organize its work, the Committee develops and approves an Action Plan at the beginning of each fiscal year. The Action Plan for fiscal 2013 contained eight scheduled regular meetings along with the agenda for each meeting. The Committee held one extraordinary meeting in addition to the eight planned meetings, for a total of nine.
The principal matters discussed and analyzed by the Committee during fiscal 2013, and
which fall within the Committee’s area of responsibility, can be divided into the following four areas:

(p.11): 'The Committee is responsible for supervising the work of Internal Audit of the Company and reviewing the appointment and substitution of those responsible. Consequently, during fiscal 2013 the Committee analyzed the activities performed within the framework of the Transformation Plan for Internal Audit, as regards creation of the Annual Audit Plan consistent with now objectives in the area as well as the resources necessary to reach stated goals.

The Committee approved the Annual Internal Audit Plan which focuses its analysis on review of international subsidiaries, and within this analysis pays special attention to the evaluation of risk management tools and procedures. In planning the work of Internal Audit, the current Risk Map was taken into account, which we will see was the subject of review during the fiscal year, such that the Internal Audit Plan was adapted to updates in the Risk Map.'

(p.12): 'The Committee is aware of the importance of managing risks that the Company faces in order to do adequate strategic planning and to reach defined business goals, primarily in the area of growing internationalisation.

The first step in properly managing risks is to continually update the Company risk map. To this end, the Committee the Global Risk Inventory during the fiscal year and received periodic reports regarding its review and evaluation process.'

(p.14): 'Supervision of Compliance with the Code of Ethics

The Indra Group has a Code of Ethics and Professional Conduct approved by the Board of Directors and published on the Company intranet (Indraweb), which indicates ethical and responsible behaviour to be followed in pursuit of business activities and in the management of businesses, by the management team and all of the professionals at Indra and subsidiaries.

With the goal of facilitating communication between Indra and its professionals in matters related to the interpretation and application of the Code of Ethics and Professional Conduct, there is an Oversight Committee, made up of five directors, belonging to operations and corporate divisions as well as the head of the Compliance Unit.

Since October 2009 Indra has had available a complaint line known internally as “Canal Directo,” accessible through the intranet to any interested person who would like to
communicate securely and confidentially, but not anonymously, any irregular, unethical or illegal conduct which in the reporter’s opinion is occurring in the activities of the Company. At the same time, the Canal Directo is also available for answering questions of interpretation or application of the Code of Ethics and professional Conduct.

Since the creation of the Compliance Unit in 2011, analysis of the complaints received through various means, including the Canal Directo is done by this Unit, notwithstanding the fact that its head is also a member of the Oversight Committee, which is informed of the Unit’s handling of the same.

The first task of the Compliance Unit was creation of a Compliance Program containing policies and procedures which embody the values and principles of the Code of Ethics. It is one more step in Indra’s commitment to continuous improvement in order to always meet the highest standards of integrity and professionalism.

The Compliance Unit is the body charged with resolving questions which might arise relating to the application and interpretation of the Compliance Program and which does work dealing with the prevention of fraud.

Report of the Compliance Unit

In meeting its obligation contained in Article 19 of the Board Rules to “…set up and monitor the operation of a procedure that allows employees to notify the Board confidentially of any potential irregularities, particularly of a financial and accounting nature, that may appear within the running of the Company” the head of the Compliance Unit met with the Committee in order to report on the workings of the Canal Directo, the types of complaints received through various means, and measures taken in those cases opened as a result of said complaints.'

Annual Report 2012, p.44:

‘Indra has an internal Audit department that reports to the Audit and Compliance Committee of the Board of Directors. Its purpose is to review the various processes/units of the company in order to determine whether the controls established for mitigating the risks inherent to the company are sufficient and function correctly.'


Code of Ethics and Professional Conduct (November 2009), p.7:

'The Tracking Committee will prepare an annual report on the level of compliance with the Code, in which it will analyse the questions raised regarding its content and application, the incidents reported relating to non-compliance with the Code and how they have been resolved, as well as an assessment as to how the Direct Channel is operating. This report will be presented to the management bodies at Indra.'

Consolidated Directors’ Report 2013, p.194:

‘Among specialized resources available to Indra to cover occupational risks is an internal shared prevention service available to companies in the group, comprised of specialists in the field, as well as specialized third party providers. External audits are performed regularly by entities accredited by the Ministry of Labour.'
(p.197): 'The Oversight Committee issues an annual report over the degree of compliance with the Code, in which it discusses questions regarding its content and application, communicated incidents of non-compliance and how they were resolved, and matters relating to how the Canal Directo functions. This report is delivered to the management and governing bodies of Indra.'
A8(a):

Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:

1

Comments:

Based on public information, there is limited evidence of a formal, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based. The Audit and Compliance Committee discusses and analyses the compliance programme, receiving information from the Compliance Unit on reports to the Direct Channel and mitigation responses. There is evidence of improvement plans with the update of the Code of Ethics in 2009, the creation of the Compliance Unit in 2011 and launching specific modules for the Compliance Programme in 2012 and 2013. To score higher the company would need to provide further evidence of the formal, clear, written plan on which the Audit and Compliance Committee bases the review of the ethics and anti-corruption agenda. The company therefore scores 1.

References:

Public:

Activities Report Audit and Compliance Committee 2013, p.8:

'In order to properly plan and organize its work, the Committee develops and approves an Action Plan at the beginning of each fiscal year. The Action Plan for fiscal 2013 contained eight scheduled regular meetings along with the agenda for each meeting. The Committee held one extraordinary meeting in addition to the eight planned meetings, for a total of nine.

The principal matters discussed and analyzed by the Committee during fiscal 2013, and which fall within the Committee’s area of responsibility, can be divided into the following four areas:
The Committee is responsible for supervising the work of Internal Audit of the Company and reviewing the appointment and substitution of those responsible. Consequently, during fiscal 2013 the Committee analyzed the activities performed within the framework of the Transformation Plan for Internal Audit, as regards creation of the Annual Audit Plan consistent with new objectives in the area as well as the resources necessary to reach stated goals.

The Committee approved the Annual Internal Audit Plan which focuses its analysis on review of international subsidiaries, and within this analysis pays special attention to the evaluation of risk management tools and procedures. In planning the work of Internal Audit, the current Risk Map was taken into account, which we will see was the subject of review during the fiscal year, such that the Internal Audit Plan was adapted to updates in the Risk Map.

The Committee is aware of the importance of managing risks that the Company faces in order to do adequate strategic planning and to reach defined business goals, primarily in the area of growing internationalisation. The first step in properly managing risks is to continually update the Company risk map. To this end, the Committee the Global Risk Inventory during the fiscal year and received periodic reports regarding its review and evaluation process.

Supervision of Compliance with the Code of Ethics

The Indra Group has a Code of Ethics and Professional Conduct approved by the Board of Directors and published on the Company intranet (Indraweb), which indicates ethical and responsible behaviour to be followed in pursuit of business activities and in the management of businesses, by the management team and all of the professionals at Indra and subsidiaries.

With the goal of facilitating communication between Indra and its professionals in matters related to the interpretation and application of the Code of Ethics and Professional Conduct, there is an Oversight Committee, made up of five directors, belonging to operations and corporate divisions as well as the head of the Compliance Unit.

Since October 2009 Indra has had available a complaint line known internally as “Canal Directo,” accessible through the intranet to any interested person who would like to communicate securely and confidentially, but not anonymously, any irregular, unethical or illegal conduct which in the reporter’s opinion is occurring in the activities of the Company.
At the same time, the Canal Directo is also available for answering questions of interpretation or application of the Code of Ethics and professional Conduct.

Since the creation of the Compliance Unit in 2011, analysis of the complaints received through various means, including the Canal Directo is done by this Unit, notwithstanding the fact that its head is also a member of the Oversight Committee, which is informed of the Unit’s handling of the same.

The first task of the Compliance Unit was creation of a Compliance Program containing policies and procedures which embody the values and principles of the Code of Ethics. It is one more step in Indra’s commitment to continuous improvement in order to always meet the highest standards of integrity and professionalism.

The Compliance Unit is the body charged with resolving questions which might arise relating to the application and interpretation of the Compliance Program and which does work dealing with the prevention of fraud.

Report of the Compliance Unit

In meeting its obligation contained in Article 19 of the Board Rules to “…set up and monitor the operation of a procedure that allows employees to notify the Board confidentially of any potential irregularities, particularly of a financial and accounting nature, that may appear within the running of the Company” the head of the Compliance Unit met with the Committee in order to report on the workings of the Canal Directo, the types of complaints received through various means, and measures taken in those cases opened as a result of said complaints.'

Annual Report 2012, p.43:

'To mitigate the risks of corruption and bribery in its operations and, in particular, those arising from increased exposure to countries with a low degree of transparency, Indra is strengthening the implementation of its ethical and professional conduct policies through initiatives such as updating the Code of Ethics and Professional Conduct in 2009, creating the Compliance Unit in 2011, developing the Compliance Programme, and launching specific modules for the Compliance Programme in 2012 and 2013.'

(p.44): ‘Indra has an internal Audit department that reports to the Audit and Compliance Committee of the Board of Directors. Its purpose is to review the various processes/units of the company in order to determine whether the controls established for mitigating the risks inherent to the company are sufficient and function correctly.'

Annual Report 2013, p.53:

'Following the rollout of the current Code of Ethics and Professional conduct at the end of 2009 and its subsequent implementation in the various Indra subsidiaries, we further developed the code by launching the, which contains the policies and procedures that set out the corporate values and principles.

This program represents another step forward in Indra’s commitment to continuous improvement and the observance at all times of the highest standards of integrity and professionalism in its operations.'
The Compliance Unit is the body responsible for resolving any issues that arise in relation to the application and interpretation of the Compliance Program.

The program was implemented in Spain in 2012 and, one year later, in most of the international subsidiaries in the countries where the company operates. Prior to extending the program to the international arena, it was reviewed and adapted to the local legislation and characteristics of each country.

The implementation of the program was accompanied by a series of training actions for the company’s professionals both in Spain and in the Latin American subsidiaries. A new training strategy for professionals, comprising both face-to-face and distance learning modules, has been planned for this year and the coming years and will include every subsidiary.

Indra plans to update the Compliance Program constantly by monitoring legal changes that impact on it or should at least be taken into account.'

Consolidated Directors' Report 2013, p.197:
'The Oversight Committee issues an annual report over the degree of compliance with the Code, in which it discusses questions regarding its content and application, communicated incidents of non-compliance and how they were resolved, and matters relating to how the Canal Directo functions. This report is delivered to the management and governing bodies of Indra.'
A9:
Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

Score:

2

Comments:
Based on public information, there is evidence that the company has a formal process to review and where appropriate updates its policies and practices in response to actual or alleged instances of corruption. The Oversight/Tracking Committee analyses questions regarding the content and application of the Code of Ethics, and incidents reported relating to non-compliance. The company states that in 2013 two non-compliance cases were analysed and resolved.

References:
Public:
Annual Report 2012, p.43-44:
‘To mitigate the risks of corruption and bribery in its operations and, in particular, those arising from increased exposure to countries with a low degree of transparency, Indra is strengthening the implementation of its ethical and professional conduct policies through initiatives such as updating the Code of Ethics and Professional Conduct in 2009, creating the Compliance Unit in 2011, developing the Compliance Programme, and launching specific modules for the Compliance Programme in 2012 and 2013.’

‘Moreover, Indra maintains a policy of total transparency with respect to corruption incidents related to the company's Code of Ethics and Professional Conduct. As indicated in the Code of Ethics and Professional Conduct section in the 'Auditing and Internal Control' chapter of this report, in 2012 Indra did not register any incidents related to corruption of bribery. Furthermore, Indra has an internal Audit department that reports to the Audit and Compliance Committee of the Board of Directors. Its purpose is to review the various processes/units of the company in order to determine whether the controls established for mitigating the risks inherent to the company are sufficient and function correctly.’

(p.247): Disclosure Level of reporting Location Explanation of partial reporting
Code of Ethics and Professional Conduct (November 2009), p.7:
'The Tracking Committee will prepare an annual report on the level of compliance with the Code, in which it will analyse the questions raised regarding its content and application, the incidents reported relating to non-compliance with the Code and how they have been resolved, as well as an assessment as to how the Direct Channel is operating. This report will be presented to the management bodies at Indra.'

Annual Report 2013, p.53:
'Indra plans to update the Compliance Program constantly by monitoring legal changes that impact on it or should at least be taken into account.'

(p.54): 'Thanks to the implementation and dissemination of the procedures and policies associated with the Compliance Program, and the effectiveness of the channels for reporting incidents, in 2013 we were able to identify two cases of irregular conduct by professionals who were using the company’s suppliers for their own benefit. Both cases were analyzed and resolved, and the corresponding disciplinary action was taken against the professionals involved.'
A9(a):
Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:

2

Comments:

Based on public information, there is evidence of a formal anti-corruption risk assessment procedure implemented enterprise-wide. The risk management system clearly identifies the corruption risks associated with different geographies. There is evidence of mitigation plans such as a compliance programme with policies and procedures and training courses for employees. The company also has an internal audit department that reviews the company’s processes and units to determine whether the controls for mitigating risks are sufficient. The company therefore scores 2.

References:

Public:
Annual Report 2013, p.37:
Audit and Compliance Committee responsibilities include:
• 'To review the internal control and risk management systems
  o To supervise the effectiveness of the company’s internal control, internal audits, and risk management systems
  o To monitor the independence and effectiveness of internal audits
  o To propose the chief auditor and the budget for the internal audit service
  o To ensure that senior managers act on the conclusions and recommendations contained in the reports prepared by the Internal Audit service
  o To establish and supervise the procedure for allowing employees to confidentially report irregularities of a potentially important nature to the committee

(p.43): 'Integrity
The risk management system encompasses the entire organization, including both the corporate structure and the individual business units, irrespective of their geographic location.'
'The methodology of the Risk Management System consists in and assessing risks, as well as
monitoring control activities and defined action plans, allowing the reasonable management of the risks that Indra is exposed to.'

(p.44):

The assessment of risks is done through a combination of quantitative and qualitative techniques, according to their probability of occurrence and their impact if they do materialize.

According to the rating scales established for each of these parameters (probability and impact), which will ultimately give rise to a risk assessment matrix in which each risk is defined according to four levels: critical risk level, high risk level, medium risk level and low risk level, represented on the company’s Global Risk Map.

(p.45): 'Regulatory compliance risks Indra has a Code of Ethics and Professional Conduct and its own joint prevention service made up of professionals specialized in the matters it centrally handles for different group companies and specialized external services. For further information on the management of risks at Indra, please see the chapter entitled “E. RISK CONTROL AND MANAGEMENT SYSTEMS” in the Corporate Governance Report, in the Consolidated Annual Accounts Report.'

(p.54): 'Indra's management of the risk of corruption
Indra carries out operations in 138 countries around the world, which means that it has had to deal with varying levels of transparency.

Specifically, 58% of Indra’s revenues in 2013 came from countries with a transparency level score of more than 50 out of 100, according to the index published by Transparency International.

Indra is aware that it must conduct its business activities not only in accordance with the law, free market conditions and fair competition, but also in an ethical and transparent manner.

To mitigate the risks of corruption and bribery in its activities, Indra has reinforced the implementation of its ethics and professional conduct policies. In 2009 we updated our Code of Ethics and Professional Conduct, and in 2011 we created the Compliance Unit to develop and implement the Compliance Program. The unit also provides annual training courses for the company’s professionals on its policies and procedures.

The company has extended this commitment to all of its professionals through the Code of Ethics and Professional Conduct, whose third article expressly forbids its employees from “participating in any acts of bribery when dealing with authorities and/or government employees, and from offering or granting to senior managers, employees and external...
partners any benefits or advantages of any nature that fall outside the realm of lawful market practices or which could be construed as being aimed at inappropriately influencing the normal progress of the commercial, administrative and professional relations in which Indra engages.” Furthermore, the Compliance Program contains a set of specific policies and procedures designed to prevent and control these practices.

Indra also has an internal audit department, reporting to the Audit and Compliance Committee of the Board of Directors, which reviews the company’s processes and units to determine whether the controls for mitigating the inherent risks are sufficient and function correctly.'

Annual Report 2012, pp.43-44:
'Moreover, Indra maintains a policy of total transparency with respect to corruption incidents related to the company’s Code of Ethics and Professional Conduct. As indicated in the Code of Ethics and Professional Conduct section in the “Auditing and Internal Control” chapter of this report, in 2012 Indra did not register any incidents related to corruption or bribery.

Furthermore, Indra has an Internal Audit department that reports to the Audit and Compliance Committee of the Board of Directors. Its purpose is to review the various processes/units of the company in order to determine whether the controls established for mitigating the risks inherent to the company are sufficient and function correctly.'

(pp.34-35): Audit and Compliance Committee
'The Committee is also responsible for inspecting and verifying the suitability and integrity of the financial information process as well as the correct operation of the company’s internal control and risk management systems. Within the framework of these duties, the Committee has met with the people responsible for several of the company’s corporate areas in order to be informed about their status and operation, as well as to supervise the operation of information and control processes. In these meetings, aside from being informed about the above matters, the Committee also carried out active supervision by issuing recommendations for the improvement of internal control and risk management systems, which were then implemented by these areas.'

(p.247): Disclosure          Level of reporting   Location            Explanation of partial reporting

Consolidated Directors Report 2013, p.190:
‘The Global Risk Map is reported periodically to the Audit and Compliance Committee for review, as well as to the Board of Directors.’

‘Pursuant to Article 5 of the Board Rules, the Board of Directors reserves Risk Management
Policy as a non-delegable function as well as ensuring the existence and correct application of adequate Control and Information Systems.

The Audit and Compliance Committee performs a periodic review of the efficacy of the Risk Management System, ensuring that major risks are identified, managed, and adequately communicated.

For its part, Senior Management has the responsibility of promoting a culture of risk management at all levels, defining the functions and responsibilities within the framework of the Risk Management System, and supervising action plans and work stemming from the process of Risk Management.

Finally, the Global Risk Department oversees maintenance and updating of knowledge, techniques, methodologies and tools which allow completion of the Risk Management System operating principles with the highest level of quality.'

(p.192): 'Compliance Risks
a. Legal, Contractual and Regulatory Risks
Indra takes a proactive approach in prophylactic identification and management of legal risks that may be involved in the business activities it performs.

The Legal Department itself and through its interaction with other management units oversees strict compliance with legal and administrative obligations affecting Indra in its capacity as a listed company.'

(p.194): 'Compliance Risks
Indra has a Code of Ethics and Professional Conduct approved by the Board of Directors and whose implementation and compliance is monitored by the Audit and Compliance Committee.

Among specialized resources available to Indra to cover occupational risks is an internal shared prevention service available to companies in the group, comprised of specialists in the field, as well as specialized third party providers. External audits are performed regularly by entities accredited by the Ministry of Labour.'

(p.201): 'Compliance Risks: include all of the risks associated with legal concerns and those of the operational codes of conduct of the organization. They also include risks associated with noncompliance with external and internal rules, as well as contractual relationships and warranties.'

Activities of the Audit and Compliance Committee 2013, pp.12-13: 'Risk Management
The Committee is aware of the importance of managing risks that the Company faces in order to do adequate strategic planning and to reach defined business goals, primarily in the area of growing internationalisation.

The first step in properly managing risks is to continually update the Company risk map. To this end, the Committee the Global Risk Inventory during the fiscal year and received
periodic reports regarding its review and evaluation process.

Once the review process was done, the CEO and head of Internal Audit and Global Risks presented the resulting Risk Map to the Committee and explained modifications made to classification of said risks as the result of the first evaluation made by a significant number of Directors. The Committee approved of the work done and agreed to present the Risk Map to the Board of Directors.

The head of Internal Audit and Global Risks presented the Risk Policy adapted to the changes approved in the Company Risk Map to the Committee for review.

With the goal of understanding and testing the adequacy and completeness of the process for producing financial information and the proper operation of internal control and risk management systems within the Company, the Committee met with various managers during the fiscal year in order to analyze those areas and aspects it considered necessary to review consistent with the new Company Risk Map.

- **Procurement: Analysis of Risk of Supplier Dependence. Process of Evaluation, Oversight, and Accreditation of Suppliers.** The Committee met with the head of Procurement and with the head of Corporate Resources, who reported to the Committee regarding the level of advancement in implementation of the new procurement model during 2013, analyzing the differences between the current model and the one that preceded it. The Committee reviewed the supplier management model for international subsidiaries and its adaptation to the corporate model.

- **Global Delivery Model.** The Committee met with the Director of Global Services and Production and with the General Manager of Corporate Resources who explained the objectives and principal characteristic of the global delivery model and reported on the degree of implementation in Spain, where implementation is complete and in the international subsidiaries, where implementation is expected to be completed in 2014.
A10:
Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure for assessing proposed business decisions.

References:
Public:
TI notes:
Annual Report 2013, p.37:
Audit and Compliance Committee responsibilities include:
- 'To review the internal control and risk management systems
  - To supervise the effectiveness of the company’s internal control, internal audits, and risk management systems
  - To monitor the independence and effectiveness of internal audits
  - To propose the chief auditor and the budget for the internal audit service
  - To ensure that senior managers act on the conclusions and recommendations contained in the reports prepared by the Internal Audit service
  - To establish and supervise the procedure for allowing employees to confidentially report irregularities of a potentially important nature to the committee'

(p.43): 'Integrity
The risk management system encompasses the entire organization, including both the corporate structure and the individual business units, irrespective of their geographic location.'
'The methodology of the Risk Management System consists in and assessing risks, as well as monitoring control activities and defined action plans, allowing the reasonable management of the risks that Indra is exposed to.'
Indra has a Code of Ethics and Professional Conduct and its own joint prevention service made up of professionals specialized in the matters it centrally handles for different group companies and specialized external services.

For further information on the management of risks at Indra, please see the chapter entitled “E. RISK CONTROL AND MANAGEMENT SYSTEMS” in the Corporate Governance Report, in the Consolidated Annual Accounts Report.

Indra’s management of the risk of corruption

Indra carries out operations in 138 countries around the world, which means that it has had to deal with varying levels of transparency.

Specifically, 58% of Indra’s revenues in 2013 came from countries with a transparency level score of more than 50 out of 100, according to the index published by Transparency International.

Indra is aware that it must conduct its business activities not only in accordance with the law, free market conditions and fair competition, but also in an ethical and transparent manner.

To mitigate the risks of corruption and bribery in its activities, Indra has reinforced the implementation of its ethics and professional conduct policies. In 2009 we updated our Code of Ethics and Professional Conduct, and in 2011 we created the Compliance Unit to develop and implement the Compliance Program. The unit also provides annual training courses for the company’s professionals on its policies and procedures.

The company has extended this commitment to all of its professionals through the Code of Ethics and Professional Conduct, whose third article expressly forbids its employees from “participating in any acts of bribery when dealing with authorities and/or government employees, and from offering or granting to senior managers, employees and external partners any benefits or advantages of any nature that fall outside the realm of lawful market practices or which could be construed as being aimed at inappropriately
influencing the normal progress of the commercial, administrative and professional relations in which Indra engages. Furthermore, the Compliance Program contains a set of specific policies and procedures designed to prevent and control these practices.

Indra also has an internal audit department, reporting to the Audit and Compliance Committee of the Board of Directors, which reviews the company’s processes and units to determine whether the controls for mitigating the inherent risks are sufficient and function correctly.
A11: Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score: 0

Comments: Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting or reappointing its agents.

References:
Public: NA
A12:

Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company has contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption.

References:

NA
A13:

Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

Score:

1

Comments:

Based on public information, there is evidence that the company makes clear to contractors, sub-contractors and suppliers its stance on bribery and corruption. The Supplier Code of Ethics states that bribery is prohibited, that suppliers must uphold the Global Compact Principles and requires a legal representative of the supplier to sign and accept the Code. However, there is no evidence of contractual rights to apply sanctions in the event of a breach of its contract. The company therefore scores a 1.

References:

Public:
Annual Report 2013, p.53:
'With regard to the Supplier Code of Ethics (launched in 2012), this will be included in the supplier approval process and will also apply to the nonprofit organizations that collaborate with the company.'

(p.132): 'Ensuring sustainability throughout the entire supply chain. Indra carries out initiatives for extending sustainability to the supply chain:
» Supplier code of ethics
» Supplier pre-approval process based on the Achilles platform

Supplier Code of Ethics, p.2:
'Specifically, we invite our suppliers to observe the following principles:
Integrity:
Integrity means acting in good faith and establishing professional relationships based on transparent, ethical conduct. This implies certain attitudes and behaviors, including:
1. Respecting and complying with the laws and regulations applicable in the countries where the activity is conducted and upholding the Global Compact Principles.'
2. Not bribing authorities and/or civil servants and not offering or granting any benefit or advantage of whatever nature that falls outside legal market practices to either these or the directors, employees and partners of any company.

3. Always conveying truthful and faithful information and communicating clearly at all times.'

'A Monitoring Committee made up Indra directors has been created to facilitate communications between Indra and its providers and suppliers regarding the interpretation and use of this code.

These communications will be conducted via the “Direct Channel”, a specific email channel (canaldirecto2@Indra.es) through which suppliers may communicate with the Monitoring Committee directly and in confidence.

Audits: From time to time, Indra may carry out an audit or other type of inspection to check compliance with the standards described in this document. In such cases, the supplier must respond immediately to Indra’s requests for information regarding this matter.'

(p.3): Legal representatives of suppliers are required to sign that they accept the Code.  
A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company explicitly addresses the corruption risks associated with offset contracting.

References:
Public:
TI notes:
Countertrade & Offset website: Franco-Spanish industrial co-operation for UAVs
‘Indra Sistemas, a leading Spanish Information Technology and Defence Systems company, has signed an industrial cooperation agreement covering Unmanned Aerial Vehicle Medium-Altitude Long-Endurance (MALE UAV) activities with Dassault Aviation and Thales’.
http://www.cto-offset.com/headline/franco-spanish-industrial-co-operation-for-uavs
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting its offset partners and offset brokers.

References:
Public:
TI notes:
Countertrade & Offset website: Franco-Spanish industrial co-operation for UAVs
‘Indra Sistemas, a leading Spanish Information Technology and Defence Systems company, has signed an industrial cooperation agreement covering Unmanned Aerial Vehicle Medium-Altitude Long-Endurance (MALE UAV) activities with Dassault Aviation and Thales’.  
http://www.cto-offset.com/headline/franco-spanish-industrial-co-operation-for-uavs
A15:
Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score:

2

Comments:
Based on public information, there is evidence that the company has an anti-corruption policy that prohibits corruption in its various forms. This includes any forms of active or passive bribery, facilitation payments and improper gifts and hospitality.

References:
Public:
Code of Ethics and Professional Conduct (November 2009), p.4:
'Our Work Principles
Indra’s success depends on the performance of all of its professionals and the capacity to project its values and its culture. These two factors go hand in hand. As professionals, we must apply the following work principles in our daily tasks:
Integrity
Integrity means to act in good faith and to establish professional relationships that are based on transparency and ethics, which implies the following, among other attitudes and behaviours:
1. To respect and adhere to all current laws and regulations that apply to us in the countries we operate in, as well as applying the internal procedures and rules that Indra has set forth and the principles of the World Pact*
2. To maintain the information that we work with confidential, including know-how, intellectual and industrial property and other intangible assets that are the property of Indra or of the third parties we work with.
3. To refuse to participate in any acts of bribery when dealing with authorities and/ or government employees or to offer or grant to senior management, employees or external collaborators benefits or advantages of any nature that are outside the realm of lawful market practice or which could be construed as being aimed at inappropriately influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.
4. To refuse to request, accept or receive payments, gifts, attentions, presents or indulgences that are outside the realm of lawful market practice, which are or could be construed as being aimed at influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.

5. To maintain and guarantee impartiality in carrying out our functions, responsibilities and professional decisions, especially in any situation which could involve a conflict of interest. A conflict of interest is understood to be any situation in which the employee could directly or indirectly obtain a personal benefit or could favour his/her own interests as opposed to those of Indra.

6. To appropriately use, take care of and manage the resources (technological, financial and material, among others) that Indra makes available to us to carry out our work.

7. To collaborate in the good working order of the systems for internal control and other procedures designed to identify and correct deficiencies or weaknesses in the compliance, integrity and control systems at Indra.

8. To always transmit truthful and reliable information on our management according to the applicable or generally accepted principles, especially in financial and accounting matters, and to always keep internal and external communications transparent, and based on truthful, validated information.'

Annual Report 2013, p.58:

'In this context, the fight against bribery and corruption is a major commitment. Only under this principle can we combat situations whose consequences might compromise the free market, cause instability, inequality or insecurity on all levels, and prevent socio-economic development to the detriment of those who are most vulnerable.

Accordingly, Indra is committed to fighting bribery, facilitating payments and any form of active or passive corruption. It is also opposed to making contributions to political parties, and in light of its transparency and accountability policy, it publicly declares all contributions made to nonprofit entities.'

Empresas Por La Transparencia Y Contra La Corrupción: El caso de Indra (2011)

'The new Code of Ethics and Professional Conduct also incorporates new principles and treatment improves existing ones. This is the case of the explicit prohibition of corrupt practices and bribery, as well as collaboration in the functioning of internal control systems and procedures designed to identify and correct deficiencies or weaknesses in the systems of compliance, integrity and control of Indra'

(El nuevo Código Ético y de Conducta Profesional incorpora también nuevos principios y mejora el tratamiento de otros ya existentes. Es el caso de la prohibición explícita de las prácticas de corrupción y soborno, así como de la colaboración en el buen funcionamiento de los sistemas de control interno y otros procedimientos destinados a identificar o corregir deficiencias o debilidades en los sistemas de cumplimiento, integridad y control de Indra)
A16: Is the anti-corruption policy explicitly one of zero tolerance?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company’s anti-corruption policy is explicitly one of zero tolerance.

References:
Public:
TI notes:
Code of Ethics and Professional Conduct (November 2009), p.4:
‘Our Work Principles
Indra’s success depends on the performance of all of its professionals and the capacity to project its values and its culture. These two factors go hand in hand. As professionals, we must apply the following work principles in our daily tasks:
Integrity
Integrity means to act in good faith and to establish professional relationships that are based on transparency and ethics, which implies the following, among other attitudes and behaviours:
1. To respect and adhere to all current laws and regulations that apply to us in the countries we operate in, as well as applying the internal procedures and rules that Indra has set forth and the principles of the World Pact*
2. To maintain the information that we work with confidential, including know-how, intellectual and industrial property and other intangible assets that are the property of Indra or of the third parties we work with.
3. To refuse to participate in any acts of bribery when dealing with authorities and/ or government employees or to offer or grant to senior management, employees or external collaborators benefits or advantages of any nature that are outside the realm of lawful market practice or which could be construed as being aimed at inappropriately influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.
4. To refuse to request, accept or receive payments, gifts, attentions, presents or
indulgences that are outside the realm of lawful market practice, which are or could be construed as being aimed at influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.

5. To maintain and guarantee impartiality in carrying out our functions, responsibilities and professional decisions, especially in any situation which could involve a conflict of interest. A conflict of interest is understood to be any situation in which the employee could directly or indirectly obtain a personal benefit or could favour his/her own interests as opposed to those of Indra.

6. To appropriately use, take care of and manage the resources (technological, financial and material, among others) that Indra makes available to us to carry out our work.

7. To collaborate in the good working order of the systems for internal control and other procedures designed to identify and correct deficiencies or weaknesses in the compliance, integrity and control systems at Indra.

8. To always transmit truthful and reliable information on our management according to the applicable or generally accepted principles, especially in financial and accounting matters, and to always keep internal and external communications transparent, and based on truthful, validated information.'

Annual Report 2013, p.58:

'In this context, the fight against bribery and corruption is a major commitment. Only under this principle can we combat situations whose consequences might compromise the free market, cause instability, inequality or insecurity on all levels, and prevent socio-economic development to the detriment of those who are most vulnerable.

Accordingly, Indra is committed to fighting bribery, facilitating payments and any form of active or passive corruption. It is also opposed to making contributions to political parties, and in light of its transparency and accountability policy, it publicly declares all contributions made to nonprofit entities.'
A17:
Is the company's anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

Score:
2

Comments:
Based on public information, there is evidence that the company’s ethics and anti-corruption policies are easily accessible to Board members, employees and third parties. The company states that the Code of Ethics is communicated and disseminated to all company professionals, and it is permanently available on the company’s website in English and Spanish. The Supplier Code of Ethics is also available on the company’s website in English and Spanish.

References:
Public:
Code of Ethics and Professional Conduct (November 2009), p.7:
'The contents of the Code of Ethics and Professional Conduct will be communicated and disseminated to all Indra professionals, who will be informed of its existence and of their obligation to comply with it. This Code will form a part of the labour relationship between Indra and its employees.'

Consolidated Directors' Report 2013, p.196:
'The Indra Group has a Code of Ethics and Professional Conduct approved by the Board and published on the Intranet in Spanish and in English and which indicates ethical and responsible behaviour to be followed by the management team and all of the professionals at Indra and subsidiaries whilst carrying out Company business.'

Supplier Code of Ethics:
A17(a):
Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

2

Comments:
Based on public information, there is evidence that the company’s Code of Ethics and Professional Conduct is written in clear, comprehensible language.

References:
Public:
Code of Ethics and Professional Conduct (November 2009), p.4:
1. Our Work Principles
   Indra’s success depends on the performance of all of its professionals and the capacity to project its values and its culture. These two factors go hand in hand. As professionals, we must apply the following work principles in our daily tasks:
   Integrity
   Integrity means to act in good faith and to establish professional relationships that are based on transparency and ethics, which implies the following, among other attitudes and behaviours:
   1. To respect and adhere to all current laws and regulations that apply to us in the countries we operate in, as well as applying the internal procedures and rules that Indra has set forth and the principles of the World Pact*
   2. To maintain the information that we work with confidential, including know-how, intellectual and industrial property and other intangible assets that are the property of Indra or of the third parties we work with.
   3. To refuse to participate in any acts of bribery when dealing with authorities and/ or government employees or to offer or grant to senior management, employees or external collaborators benefits or advantages of any nature that are outside the realm of lawful market practice or which could be construed as being aimed at inappropriately influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.
   4. To refuse to request, accept or receive payments, gifts, attentions, presents or...
indulgences that are outside the realm of lawful market practice, which are or could be construed as being aimed at influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.

5. To maintain and guarantee impartiality in carrying out our functions, responsibilities and professional decisions, especially in any situation which could involve a conflict of interest. A conflict of interest is understood to be any situation in which the employee could directly or indirectly obtain a personal benefit or could favour his/her own interests as opposed to those of Indra.

6. To appropriately use, take care of and manage the resources (technological, financial and material, among others) that Indra makes available to us to carry out our work.

7. To collaborate in the good working order of the systems for internal control and other procedures designed to identify and correct deficiencies or weaknesses in the compliance, integrity and control systems at Indra.

8. To always transmit truthful and reliable information on our management according to the applicable or generally accepted principles, especially in financial and accounting matters, and to always keep internal and external communications transparent, and based on truthful, validated information.
A18:

Does the anti-corruption policy explicitly apply to all employees and members of the Board?

Score:

1

Comments:

Based on public information, there is evidence that the company’s Code of Ethics and Professional Conduct applies to all employees. However, there is no explicit evidence that the Code also applies to Board members. The company therefore scores 1.

References:

Public:

Code of Ethics and Professional Conduct (November 2009), p.2:
'The Board of Directors assess especially the commitment with the ethic values and principles of behaviour which are demanded to all of us who form Indra and encourages all our professionals to read and apply this code knowing that it will help us achieve our objectives of a sustainable and steady growth.'

(p.3): ‘A commitment from everyone and for everyone
This Code of Ethics and Professional Conduct is based on a series of principles that stem from the corporate values that are a guideline for the work, the use of resources and the daily performance of all the professionals at Indra.
It is directed to all Indra professionals and its affiliates, and it must be complied with regardless of the country, category, condition or company that the employee pertains to.
It is therefore an essential requirement for each professional working for this company to understand and comply with the rules set forth in this Code. All professionals with subordinates have the additional responsibility of leading by example and of ensuring that all persona who are under their management are fully aware of, understand and comply with this Code.’

(p.7): 'The contents of the Code of Ethics and Professional Conduct will be communicated and disseminated to all Indra professionals, who will be informed of its existence and of their obligation to comply with it. This Code will form a part of the labour relationship
between Indra and its employees.'

Annual Report 2013, p.53:
'Adherence to the code is mandatory for all employees, irrespective of the country, category, status or company to which they belong.'

Consolidated Directors' Report 2013, p.196:
'The Indra Group has a Code of Ethics and Professional Conduct approved by the Board and published on the Intranet in Spanish and in English and which indicates ethical and responsible behaviour to be followed by the management team and all of the professionals at Indra and subsidiaries whilst carrying out Company business.'
A20:
Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

Score:
1

Comments:
Based on public information, there is evidence that the company has a policy on potential conflicts of interest. It contains a definition and suggests that employees should always try to avoid them. The company therefore scores 1. To score higher the company would need to provide evidence of examples of potential conflicts of interest, to assist employees in applying the policy. TI notes that Board members have a separate conflicts of interest policy in the Regulations for the Board of Directors and its Committees.

References:
Public:
Regulations for the Board of Directors and its Committees (June 2013), pp.29-30:
‘Article 33. Conflicts of interest.
1. Directors must inform the Board of any situation of direct or indirect conflict that may arise in the interests of the Company. Additionally, Directors must inform the Board of direct or indirect investment of related parties in the stock of any company in the same, analogous or complementary line of business which forms part of the corporate purpose of Indra, as well as any position of responsibility or activities in such company.
2. In the cases specified in point 1 above, the Board, following a report from the Nomination, Compensation and Corporate Governance Committee, may request that directors adopt any measures it considers necessary to preserve the interests of the Company. If the director should fail to satisfy this request, the Board may issue a proposal to the Shareholder’s Meeting for his/her dismissal.
3. The affected Director must refrain from participating in any deliberations, decisions and resolutions involving matters or operations implicated in the conflict of interest.
4. The Company must make public any conflicts of interest in which directors may be involved under the terms pursuant to the applicable legislation.

Article 34. Non-Compete Clause
Directors may not work for their own account or for third parties in any company in the same, analogous or complementary line of business which forms part of the corporate
purpose of Indra without express authorization at a Shareholders Annual Meeting.’


Code of Ethics and Professional Conduct (November 2009), p.4:

'5. To maintain and guarantee impartiality in carrying out our functions, responsibilities and professional decisions, especially in any situation which could involve a conflict of interest. A conflict of interest is understood to be any situation in which the employee could directly or indirectly obtain a personal benefit or could favour his/her own interests as opposed to those of Indra.'
A21:
Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

Score:

1

Comments:
Based on public information, there is evidence that the company has a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery. However, the policy is unclear as it only states that employees must refuse gifts that are considered unusual or inappropriate. The company therefore scores 1. To score higher the company would need to provide evidence that the company sets upper limits for gift exchange and/or has a requirement for senior management authorisation if a value threshold is exceeded.

References:

Public:
Code of Ethics and Professional Conduct (November 2009), p.4:
'3. To refuse to participate in any acts of bribery when dealing with authorities and/ or government employees or to offer or grant to senior management, employees or external collaborators benefits or advantages of any nature that are outside the realm of lawful market practice or which could be construed as being aimed at inappropriately influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.

4. To refuse to request, accept or receive payments, gifts, attentions, presents or indulgences that are outside the realm of lawful market practice, which are or could be construed as being aimed at influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.

5. To maintain and guarantee impartiality in carrying out our functions, responsibilities and professional decisions, especially in any situation which could involve a conflict of interest. A conflict of interest is understood to be any situation in which the employee could directly or indirectly obtain a personal benefit or could favour his/her own interests as opposed to those of Indra.'
A22:

Does the company's anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

Score:

1

Comments:

Based on public information, there is evidence that the company has a policy for the giving and receipt of hospitality to ensure that such transactions are bona fide and not a subterfuge for bribery. However, the policy is unclear as it only states that employees must refuse attentions and indulgences that are considered unusual or inappropriate. The company therefore scores 1. To score higher the company would need to provide evidence that the company sets upper limits for hospitality exchange and/or has a requirement for senior management authorisation if a value threshold is exceeded.

References:

Public:
Code of Ethics and Professional Conduct (November 2009), p.4:
'3. To refuse to participate in any acts of bribery when dealing with authorities and/ or government employees or to offer or grant to senior management, employees or external collaborators benefits or advantages of any nature that are outside the realm of lawful market practice or which could be construed as being aimed at inappropriately influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.

4. To refuse to request, accept or receive payments, gifts, attentions, presents or indulgences that are outside the realm of lawful market practice, which are or could be construed as being aimed at influencing the normal progress of the business, administrative or professional relationships that Indra takes part in.

5. To maintain and guarantee impartiality in carrying out our functions, responsibilities and professional decisions, especially in any situation which could involve a conflict of interest. A conflict of interest is understood to be any situation in which the employee could directly or indirectly obtain a personal benefit or could favour his/her own interests as opposed to those of Indra.'
A23:
Does the company have a policy that explicitly prohibits facilitation payments?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a policy that explicitly prohibits facilitation payments. The company states that it is committed to fighting bribery, facilitating payments and any form of active or passive corruption. However, this question is seeking an explicit prohibition of facilitation payments. The company therefore scores 0.

References:

Public:
TI notes:
Annual Report 2013, p.58:
'In this context, the fight against bribery and corruption is a major commitment. Only under this principle can we combat situations whose consequences might compromise the free market, cause instability, inequality or insecurity on all levels, and prevent socio-economic development to the detriment of those who are most vulnerable.

Accordingly, Indra is committed to fighting bribery, facilitating payments and any form of active or passive corruption. It is also opposed to making contributions to political parties, and in light of its transparency and accountability policy, it publicly declares all contributions made to nonprofit entities.'
A24:
Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent? Does the company record and publicly disclose all political contributions?

Score:

2

Comments:
Based on public information, there is evidence that the company prohibits political contributions.

References:
Public:
Annual Report 2012, p.44:
‘Indra is committed to the fight against bribery and facilitating payments, as well as all forms of active and passive corruption. Accordingly, it declares that it does not make any political contributions to any parties and it publicly reports, in accordance with its transparency and accountability policy, all contributions made to non-profit entities.’

Code of Ethics and Professional Conduct (November 2009), p.5:
(p.5): 'Professionalism
Professionalism is understood as a proactive attitude in striving for excellence in our performance and it involves the following:’
'4. To show and demand impartiality when faced with third parties and amongst ourselves, as well as to remain independent from any political and/or economic powers.'

Annual Report 2013, p.58:
'In this context, the fight against bribery and corruption is a major commitment. Only under this principle can we combat situations whose consequences might compromise the free market, cause instability, inequality or insecurity on all levels, and prevent socio-economic development to the detriment of those who are most vulnerable.
Accordingly, Indra is committed to fighting bribery, facilitating payments and any form of active or passive corruption. It is also opposed to making contributions to political parties, and in light of its transparency and accountability policy, it publicly declares all contributions
made to nonprofit entities.
A25:

Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company has a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent. The company's policy is limited as it only states that relations with governments are based on commercial or administrative purposes and that the company always complies with relevant laws. The company therefore scores 0. To score on this question the company would need to provide evidence of policy guidelines, for example employees requiring authorisation from individuals with legal expertise before engaging in lobbying activities, and display that it publically discloses the issues on which it lobbies.

References:

Public:
TI notes:
Annual Report 2013, p.58:
'Lobbies are recognized and regulated in various markets. They constitute a legitimate means of relation with legislators and administrations, and are characterized by the transparency and public disclosure of their activities. Companies, as well as associations and organizations with commercial or other interests, such as nonprofit entities, hire professional lobbyists who operate on their behalf before legislative authorities and public representatives, informing them of the specific technical implications of a piece of legislation in one way or another for the entities they represent. Lobbying is completely legal in these markets, is always conducted with public knowledge—in terms of whom the lobbyists work for and the fees they receive as professionals—and is closely regulated, forming part of the legitimate activity that companies and other organizations are entitled to carry out in defense of their interests and as agents of public life.

In this area, Indra states that it does not carry out any actions aimed at modifying government policies. Indra’s relations with administrations are exclusively based on
commercial or administrative purposes, and are always conducted within the framework of the law. Specifically, Indra’s subsidiaries in the US maintain commercial relations with law firms because that is the method used in that country to manage and obtain information about contracts, subsidies and grants.

These contributions are made in compliance with the applicable legislation and said activities are publicly declared. For further details about this matter, please visit: https://lda.congress.gov/lc/home.aspx'
A25(a):
Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:

1

Comments:
Based on public information, there is no readily available evidence that the company prohibits or regulates charitable contributions, in order to prevent undue influence or other corrupt intent. However, in the 2013 Annual Report the company lists non-profit foundations, associations and organisations it has collaborated with, and TI notes that the company publicly declares contributions made to non-profit entities. The company therefore scores 1. To score higher on this question the company would need to provide evidence of internal controls for charitable contributions, such as due diligence on potential recipients and counter signatures.

References:
Public:
Annual Report 2013, p.58:
'In this context, the fight against bribery and corruption is a major commitment. Only under this principle can we combat situations whose consequences might compromise the free market, cause instability, inequality or insecurity on all levels, and prevent socio-economic development to the detriment of those who are most vulnerable.
Accordingly, Indra is committed to fighting bribery, facilitating payments and any form of active or passive corruption. It is also opposed to making contributions to political parties, and in light of its transparency and accountability policy, it publicly declares all contributions made to nonprofit entities.'

(pp.131-132): 'Collaborating with nonprofit foundations, associations and entities. Indra is aware that it must have an institutional presence in the main sector associations of the countries where it operates in order to defend the interests of the company and the sector. Furthermore, Indra is aware that the best way for it to support the third sector is through innovation and technology, and applying these to minimize the digital divide.
Accordingly, it supports nonprofit entities through technology projects. This priority objective is complemented by others such as projects to support innovation and the
implementation of the Information Society, projects to support corporate responsibility, and cultural support projects.'

(p.134): 'Promoting pro bono and volunteering initiatives
A major initiative in 2013 was the launch of the pro bono program in Spain, which offers services for free or at a special price for foundations, nonprofit organizations and associations. Through this initiative, the company has not only attempted to strengthen its relationships with third-sector organizations, but also to maximize the impact of the social action on the company itself, given that the pro bono programs offer advantages in terms of professional training and development and the pride of belonging. For more details, see the case mentioned in the last chapter.'
A26:

Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company provides written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda. In particular TI is seeking written guidance that contains examples to illustrate particular situations.

References:

Public:
NA
A27: Does the company have a training programme that explicitly covers anti-corruption?

Score: 1

Comments: Based on public information, there is evidence that the company has a training programme on its compliance programme and Code of Ethics, which includes an anti-corruption policy. Training is based on biannual activities, including face-to-face and distance learning. The company therefore scores 1. To score higher the company would need to provide evidence of an explicit anti-corruption training module.

References:

Public:
Annual Report 2012, pp.35-36:
'Also, in 2011, several training actions were launched, such as including a module about the Code of Ethics and Professional Conduct in the orientation sessions for new professionals hired by the company or the implementation of an online training module titled 'Indra. Who We Are, Our Values, Brand and Work Methods' that includes a chapter specifically dedicated to the Code.
Training was significantly improved in 2012 with the launch of a specific plan aimed at all the company’s professionals for the Compliance Programme and the Code of Ethics and Professional Conduct. Training took place during the 2012 financial year in all Indra companies in Spain, and the objective for 2013 is to expand training to the other countries where Indra operates.
The training plan is based on biannual activities, so all professionals will receive training on the Compliance Programme and the Code of Ethics every two years.'

(p.43): 'With the aim of involving all its professionals in the fight against corruption, Indra annually carries out various training actions and has placed at the disposal of its employees a tool for communicating any doubts they may have with regard to their work (Direct Channel).'
Annual Report 2013, p.53:

'The Compliance Unit is the body responsible for resolving any issues that arise in relation to the application and interpretation of the Compliance Program.

The program was implemented in Spain in 2012 and, one year later, in most of the international subsidiaries in the countries where the company operates. Prior to extending the program to the international arena, it was reviewed and adapted to the local legislation and characteristics of each country.

The implementation of the program was accompanied by a series of training actions for the company’s professionals both in Spain and in the Latin American subsidiaries. A new training strategy for professionals, comprising both face-to-face and distance learning modules, has been planned for this year and the coming years and will include every subsidiary.

Indra plans to update the Compliance Program constantly by monitoring legal changes that impact on it or should at least be taken into account.'

(p.183): Control panel

(p.202): Control panel – Scope
A28:
Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

1

Comments:

Based on public information, there is evidence that the company’s training programme on its compliance programme, which includes the anti-corruption policy, is provided in the principal countries where it operates. The 2013 Annual Report states that training actions were provided to employees in Spain and in Latin American subsidiaries. To score higher the company would need to provide evidence that the company’s training programme on its compliance programme is provided in all countries where the company operates.

References:

Public:
Annual Report 2012, pp.35-36:
‘Also, in 2011, several training actions were launched, such as including a module about the Code of Ethics and Professional Conduct in the orientation sessions for new professionals hired by the company or the implementation of an online training module titled 'Indra. Who We Are, Our Values, Brand and Work Methods' that includes a chapter specifically dedicated to the Code.

Training was significantly improved in 2012 with the launch of a specific plan aimed at all the company’s professionals for the Compliance Programme and the Code of Ethics and Professional Conduct. Training took place during the 2012 financial year in all Indra companies in Spain, and the objective for 2013 is to expand training to the other countries where Indra operates.

The training plan is based on biannual activities, so all professionals will receive training on the Compliance Programme and the Code of Ethics every two years.'

(p.43): 'With the aim of involving all its professionals in the fight against corruption, Indra annually carries out various training actions and has placed at the disposal of its employees a tool for communicating any doubts they may have with regard to their work (Direct Channel).'
The Compliance Unit is the body responsible for resolving any issues that arise in relation to the application and interpretation of the Compliance Program.

The program was implemented in Spain in 2012 and, one year later, in most of the international subsidiaries in the countries where the company operates. Prior to extending the program to the international arena, it was reviewed and adapted to the local legislation and characteristics of each country.

The implementation of the program was accompanied by a series of training actions for the company’s professionals both in Spain and in the Latin American subsidiaries. A new training strategy for professionals, comprising both face-to-face and distance learning modules, has been planned for this year and the coming years and will include every subsidiary.

Indra plans to update the Compliance Program constantly by monitoring legal changes that impact on it or should at least be taken into account.
A29:
Does the company provide targeted anti-corruption training to members of the Board?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company provides targeted anti-corruption training to Board members.

References:
Public:
NA
A30:
Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company provides tailored ethics and anti-corruption training for employees in sensitive positions.

References:
Public:
TI notes:
Consolidated Directors' Report 2013, p.197:
'Periodic training programs for personnel involved in the preparation and review of financial information as well as evaluation of the ICFR which at a minimum covers accounting rules, audit, internal control, and risk management.'
A31:
Does the company have a clear and formal process by which employees declare conflicts of interest?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a clear and formal process by which employees declare conflicts of interest.

References:
Public:
TI notes:
Code of Ethics and Professional Conduct (November 2009), p.4:
'5. To maintain and guarantee impartiality in carrying out our functions, responsibilities and professional decisions, especially in any situation which could involve a conflict of interest. A conflict of interest is understood to be any situation in which the employee could directly or indirectly obtain a personal benefit or could favour his/her own interests as opposed to those of Indra.'
A32:
Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score:

1

Comments:

Based on public information, there is evidence that the company has an explicit commitment to apply disciplinary procedures to employees found to have violated the Code of Ethics. The company therefore scores 1. To score higher the company would need to provide evidence that this explicit commitment also applies to Board members who have violated the Code of Ethics.

References:

Public:
Direct Channel, p.3:
‘Once the alleged improper conduct has been reported through the direct channel, the Tracking Committee will issue a report that will declare whether it has detected that improper conduct violating the principles and conduct set forth in the Code of Ethics and Professional Conduct has indeed taken place. In this case, HR management will be notified, and it will determine whether disciplinary proceedings shall be taken or sanctions issued in accordance with the labour regulations in force. This is notwithstanding the administrative, judicial or other types of responsibilities that may apply.’

Annual Report 2013, p.54:
'Thanks to the implementation and dissemination of the procedures and policies associated with the Compliance Program, and the effectiveness of the channels for reporting incidents, in 2013 we were able to identify two cases of irregular conduct by professionals who were using the company’s suppliers for their own benefit. Both cases were analyzed and resolved, and the corresponding disciplinary action was taken against the professionals involved.'

Annual Report 2012, p.36:
‘In 2012, Indra’s Compliance Unit received 24 communications regarding the Code of Ethics and Professional Conduct, the Compliance Programme and the Supplier Code of Ethics.'
Most of the communications were general enquiries about the Code’s operation (seven communications), minor complaints that did not require disciplinary measures (six communications), and reports of violations for which the Compliance Unit did not find any proof (eight communications). Two of the communications are still pending resolution. Disciplinary measures were only required in one case.’
A33:

Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:

1

Comments:

Based on public information, there is evidence that the company allows employees to report instances of suspected corrupt activity to the Tracking Committee using the Direct Channel, via phone or email. The Direct Channel guarantees confidentiality but not anonymity. The company therefore scores 1. To score higher the company would need to provide evidence of an independent source for employees to report to, which also facilitates anonymous reporting.

References:

Public:
Direct Channel, p.2:
>'To be informed about the Code of Ethics and Professional Conduct
> To communicate irregularities about its application
> In a completely confidential way, but not anonymous'

The Direct Channel (Canal Directo) is available to professionals as a confidential method of communicating with the Tracking Committee for the Code of Ethics and Professional Conduct on any questions that may arise regarding how to interpret or apply this code. This channel is also available for professionals to report on any actions they observe that do not comply with this code.

An email address (canaldirecto@indra.es) and a phone number (+34 91 480 70 79) have been set up to make it easier for you to communicate with this committee whenever you need to.

Using the Direct Channel, the Tracking Committee will endeavour to quickly resolve any doubts or questions that professionals may have regarding the Code of Ethics and Professional Conduct, so that employees will always know how to discern between proper conduct and unacceptable conduct.'
(p.3): 'All communications with the Direct Channel will be dealt with in the strictest confidentiality. Anonymous communications, however, will not be accepted. The identity of people who use the Direct Channel will always remain confidential and they will not be able to be deciphered by the different members of the Tracking Committee or by the support personnel designated to this Committee.'

Code of Ethics and Professional Conduct (November 2009), p.7:
'A Tracking Committee made up of five managers who come from both operational and corporate areas, has been formed to ensure a good communication flow between Indra and its professionals on questions relating to the interpretation and application of this Code of Ethics and Professional Conduct.

The members of the Tracking Committee and its email address will be provided and updated on the Indraweb. The Tracking Committee will be supported by professionals chosen by the Committee, who will be subject to the same confidentiality regulations as the members of the Committee.

As Indra professionals, we can ask the Tracking Committee about any concerns they have regarding how to interpret the Code and we should report to the Committee any improper conduct that we detect with regard to this Code. These communications will be processed through a new specific channel, “Canal Directo”, (Direct Channel), which enables us to communicate confidentially and directly with the Tracking Committee by email (canaldirecto@indra.es). The Direct Channel guidebook is available on the Indraweb.'

Annual Report 2012, p.43:
'With the aim of involving all its professionals in the fight against corruption, Indra annually carries out various training actions and has placed at the disposal of its employees a tool for communicating any doubts they may have with regard to their work (Direct Channel).'}
A33(a):

Are the whistleblowing channels available to all employees in all geographies?

Score:

1

Comments:

Based on public information, there is evidence that across geographies, all employees have access to the Direct Channel. The company therefore scores 1. To score higher on this question the company would need to provide evidence that all employees have access to more than one reporting channel.

References:

Public:
Direct Channel, p.2:
’To be informed about the Code of Ethics and Professional Conduct
> To communicate irregularities about its application
> In a completely confidential way, but not anonymous’
The Direct Channel (Canal Directo) is available to professionals as a confidential method of communicating with the Tracking Committee for the Code of Ethics and Professional Conduct on any questions that may arise regarding how to interpret or apply this code. This channel is also available for professionals to report on any actions they observe that do not comply with this code.
An email address (canaldirecto@indra.es) and a phone number (+34 91 480 70 79) have been set up to make it easier for you to communicate with this committee whenever you need to.
Using the Direct Channel, the Tracking Committee will endeavour to quickly resolve any doubts or questions that professionals may have regarding the Code of Ethics and Professional Conduct, so that employees will always know how to discern between proper conduct and unacceptable conduct.’

Code of Ethics and Professional Conduct (November 2009), p.7:
’A Tracking Committee made up of five managers who come from both operational and
corporate areas, has been formed to ensure a good communication flow between Indra and its professionals on questions relating to the interpretation and application of this Code of Ethics and Professional Conduct.

The members of the Tracking Committee and its email address will be provided and updated on the Indraweb. The Tracking Committee will be supported by professionals chosen by the Committee, who will be subject to the same confidentiality regulations as the members of the Committee.

As Indra professionals, we can ask the Tracking Committee about any concerns they have regarding how to interpret the Code and we should report to the Committee any improper conduct that we detect with regard to this Code. These communications will be processed through a new specific channel, “Canal Directo”, (Direct Channel), which enables us to communicate confidentially and directly with the Tracking Committee by email (canaldirecto@indra.es). The Direct Channel guidebook is available on the Indraweb.
A33(b):
Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:
1

Comments:
Based on public information, there is evidence that the company has formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred and that whistleblowers are treated supportively. The Tracking/Oversight Committee analyses reports of non-compliance with the Code of Ethics and how they have been resolved, in addition to evaluating the Direct Channel. In its annual reports the company discloses the number of communications it has received. To score higher the company would need to provide evidence of other mechanisms to assure itself that whistleblowing by employees is not deterred, such as issuing independent employee surveys or conducting follow up interviews with whistleblowers.

References:
Public:
Code of Ethics and Professional Conduct (November 2009), p.7:
'The Tracking Committee will prepare an annual report on the level of compliance with the Code, in which it will analyse the questions raised regarding its content and application, the incidents reported relating to non-compliance with the Code and how they have been resolved, as well as an assessment as to how the Direct Channel is operating. This report will be presented to the management bodies at Indra.'

Annual Report 2013, p.53:
'In 2013 the number of communications received by the Compliance Unit (the body responsible for answering questions related to the use and interpretation of the Code of Ethics and Professional Conduct and the Compliance Program) was higher than the previous year. Altogether, the unit received 40 communications (excluding specific inquiries or queries).'

Annual Report 2012, p.36:
In 2012, Indra’s Compliance Unit received 24 communications regarding the Code of Ethics and Professional Conduct, the Compliance Programme and the Supplier Code of Ethics. Most of the communications were general enquiries about the Code’s operation (seven communications), minor complaints that did not require disciplinary measures (six communications), and reports of violations for which the Compliance Unit did not find any proof (eight communications). Two of the communications are still pending resolution. Disciplinary measures were only required in one case.

<table>
<thead>
<tr>
<th>Incidents</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfair competition in Spain</td>
<td>After the corresponding investigation, evidence was found that justified the dismissal of one professional and the suspension without pay of another.</td>
</tr>
<tr>
<td>1 communication received</td>
<td></td>
</tr>
<tr>
<td>Non-compliances regarding information systems</td>
<td>Warning given to offenders</td>
</tr>
<tr>
<td>162 non-compliances of minor importance related to data security</td>
<td></td>
</tr>
<tr>
<td>Use of unlicensed software</td>
<td>Repayment of amounts equal to the licence cost by the professionals responsible for installing the software or a proportional suspension without pay.</td>
</tr>
</tbody>
</table>

Moreover, Indra maintains a policy of total transparency with respect to corruption incidents related to the company’s Code of Ethics and Professional Conduct. As indicated in the Code of Ethics and Professional Conduct section in the “Auditing and Internal Control” chapter of this report, in 2012 Indra did not register any incidents related to corruption or bribery.

Direct Channel, p.2:
> To be informed about the Code of Ethics and Professional Conduct
> To communicate irregularities about its application
> In a completely confidential way, but not anonymous

The Direct Channel (Canal Directo) is available to professionals as a confidential method of communicating with the Tracking Committee for the Code of Ethics and Professional Conduct on any questions that may arise regarding how to interpret or apply this code. This channel is also available for professionals to report on any actions they observe that do not comply with this code.
An email address (canaldirecto@indra.es) and a phone number (+34 91 480 70 79) have been set up to make it easier for you to communicate with this committee whenever you need to.

Using the Direct Channel, the Tracking Committee will endeavour to quickly resolve any doubts or questions that professionals may have regarding the Code of Ethics and Professional Conduct, so that employees will always know how to discern between proper conduct and unacceptable conduct.

Code of Ethics and Professional Conduct (November 2009), p.7:
'A Tracking Committee made up of five managers who come from both operational and corporate areas, has been formed to ensure a good communication flow between Indra and its professionals on questions relating to the interpretation and application of this Code of Ethics and Professional Conduct.

The members of the Tracking Committee and its email address will be provided and updated on the Indraweb. The Tracking Committee will be supported by professionals chosen by the Committee, who will be subject to the same confidentiality regulations as the members of the Committee.

As Indra professionals, we can ask the Tracking Committee about any concerns they have regarding how to interpret the Code and we should report to the Committee any improper conduct that we detect with regard to this Code. These communications will be processed through a new specific channel, "Canal Directo", (Direct Channel), which enables us to communicate confidentially and directly with the Tracking Committee by email (canaldirecto@indra.es). The Direct Channel guidebook is available on the Indraweb."

Consolidated Directors' Report 2013, p.197:
'The Oversight Committee issues an annual report over the degree of compliance with the Code, in which it discusses questions regarding its content and application, communicated incidents of non-compliance and how they were resolved, and matters relating to how the Canal Directo functions. This report is delivered to the management and governing bodies of Indra.'
A34:
Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:
2

Comments:
Based on public information, there is evidence that the company has well-publicised resources available to all employees where help and advice can be sought on corruption-related issues. Employees are able to contact the Tracking Committee using the Direct Channel, in regard to questions on how to interpret and apply the Code of Ethics.

References:
Public:
Direct Channel, p.2:
’>To be informed about the Code of Ethics and Professional Conduct
> To communicate irregularities about its application
> In a completely confidential way, but not anonymous’
The Direct Channel (Canal Directo) is available to professionals as a confidential method of communicating with the Tracking Committee for the Code of Ethics and Professional Conduct on any questions that may arise regarding how to interpret or apply this code. This channel is also available for professionals to report on any actions they observe that do not comply with this code.
An email address (canaldirecto@indra.es) and a phone number (+34 91 480 70 79) have been set up to make it easier for you to communicate with this committee whenever you need to.
Using the Direct Channel, the Tracking Committee will endeavour to quickly resolve any doubts or questions that professionals may have regarding the Code of Ethics and Professional Conduct, so that employees will always know how to discern between proper conduct and unacceptable conduct.’

Code of Ethics and Professional Conduct (November 2009), p.7:
’A Tracking Committee made up of five managers who come from both operational and corporate areas, has been formed to ensure a good communication flow between Indra and
its professionals on questions relating to the interpretation and application of this Code of Ethics and Professional Conduct.

The members of the Tracking Committee and its email address will be provided and updated on the Indraweb. The Tracking Committee will be supported by professionals chosen by the Committee, who will be subject to the same confidentiality regulations as the members of the Committee.

As Indra professionals, we can ask the Tracking Committee about any concerns they have regarding how to interpret the Code and we should report to the Committee any improper conduct that we detect with regard to this Code. These communications will be processed through a new specific channel, “Canal Directo”, (Direct Channel), which enables us to communicate confidentially and directly with the Tracking Committee by email (canaldirecto@indra.es). The Direct Channel guidebook is available on the Indraweb.'

Annual Report 2012, p.43:

'With the aim of involving all its professionals in the fight against corruption, Indra annually carries out various training actions and has placed at the disposal of its employees a tool for communicating any doubts they may have with regard to their work (Direct Channel).''
A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a commitment to non-retaliation for bona-fide reporting of corruption.

References:
Public:
NA
Information Sources:

Company website:  
www.indracompany.com

Code of Ethics and Professional Conduct (November 2009):  

Annual Report 2012:  

Annual Report 2013:  

Direct Channel:  
http://www.indracompany.com/sites/default/files/canal_directo_eng2.pdf

Supplier Code of Ethics:  

Consolidated Directors' Report 2013:  

Activities Report Audit and Compliance Committee 2013:  

Regulations for the Board of Directors and its Committees (June 2013):

Empresas Por La Transparencia Y Contra La Corrupción: El caso de Indra (2011):
http://www.transparencia.org.es/DESAYUNO-COLOQUIO/Soledad%20Ram%C3%ADrez%20Fern%C3%A1ndez%20INDRA.pdf

Acitivity Report Audit and Compliance Committee 2011, p.15:

Annual Corporate Governance Report 2013: