

SUSTAINABILITY REPORT 2015



CONTENTS



Introduction

Building a better world

Mission, vision and values

Our mission

Our vision

Our values

The Irizar brand

Irizar fully equipped coaches

Electromobility as the Group's future commitment

Our commitment

Towards customers and passengers

Passenger safety is our priority

The reliability of buses and coaches (Irizar warranty)

Profitability for our customers

Sales and after-sales service

Facilitating the accessibility and mobility of persons

Towards the employees that comprise Irizar

Communication and transparency

Participation in the management and the results

Our personnel team Job creation

Diversity and equal opportunity

Training

Balancing work and family life

Indicators

The safety and health of our personnel

Indicators

With external collaborators

With the environment

For a sustainable world

Irizar environmental policy

Irizar e-mobility

Irizar i2e: 100% electric city bus by Irizar Group

Indicators

With society

Activities related with our sector

Cultural activities

Educational activities

Sports activities

Social type activities



This sustainability report, which we make available for all our interest groups, provides a list of Irizar's commitment with sustainable development and summarizes the main initiatives we have been carrying out with customers, individual persons, external collaborators, society and the environment. We mention our permanent commitment with our interest groups (most of which we have already covered in our 2013-14 sustainability report) as well as the main progress and indicators for 2015.

In this report we show the support and renew our commitment with the ten principles of the United Nations Global Compact on Human Rights, Labour Rights, the Environment and the fight against corruption.

We believe that the definition of Corporate Social Responsibility is thinking about the future to **build a better world**. Our company is over one-hundred years old and in order to continue being a successful Project we need to continue thinking in the long term, focussing our efforts on maintaining a Sustainable Competitiveness (economic, social and environmental). Therefore we act in a sustainable manner to become more competitive each day, generate wealth and long term employment, satisfy our personnel, our customers, collaborators and protect and preserve our environment for generations to come.

We have been committed to sustainability for many years, but the important step we took in 2011 when we committed to creating a new business area focused on **electromobility** is undoubtedly shaping much of the Group's future. The first units of the 100% electrical zero emissions bus were placed into service in three European cities in 2014. Just 5 years after that decision, we are ready to be part of the transformation of transport systems in cities where current levels of air and noise pollution make it difficult for citizens to have an adequate quality of life. The decision to contribute to improving the quality of life of citizens by making their environment more sustainable is one of our commitment to the future. And we are ready not only to provide 100% electric buses but also to provide major infrastructure systems required for charging, traction and energy storage.

Our sustainability strategy is part of the company's global strategy and therefore we will continue working to be recognized as a Socially Responsible Brand.

Sincerely,

José Manuel Orcasitas Landa

CEO Grupo Irizar

MISSION, VISION AND VALUES

Our mission

Consolidate our business Project and our brand to help us grow and generate wealth and employment in our surrounding area. Our priority is to satisfy our customers and earn their loyalty by building close relationships and offering them the products and services they need and the guarantee of a solid Project they can trust.

We also work hard to achieve the maximum degree of satisfaction of the personnel that comprise Irizar Group, of our external collaborators and in society.

We achieve all of this within the cooperative framework of Irizar S. coop, through participation in management and in the results.



Assuming the commitment with the project and with the mission, vision, keys and values and the proposed challenges and their results is the essence of our reason for existence.

We promote communication, participation, self-management and teamwork, while always searching for an environment where we all can contribute something more to the Project based on our possibilities and dreams.

The performance of our activities are based on values such as:

Our vision

To offer buses and coaches throughout the world, which will provide **safety** and **comfort** for passengers, **service**, **reliability** and **profitability** for our customers, while being a leader in innovation and reinforcing the image of our brand.

In the rest of activities of the group, maximize the value for our customers by adapting the products and services to their needs, and also being a leader in innovation and reinforcing our brand.

- Assuming the commitment to concentrate our efforts in achieving the mission.
- Satisfying the needs of our customers as well as our maximum priority and guarantee for the future.
- Consolidate the brand image as a future guarantee.
- Scrupulously look after the image of our plants.
- Respect all collaborators: customers, suppliers and peers.
- Develop the Corporate Social Responsibility: improve, as much as possible, the community and the environment.
- Seek the maximum competitiveness for our projects.
- Increase our efforts for growing outward.
- Be responsible and meet our obligations regarding the processes we are involved in.
- Prioritize the internal keys of competitiveness, safety and health, communication and teamwork.
- When we are working, value what is best for Irizar over what is best for each individual.
- Try to facilitate to the maximum possible extent within our responsibility, the balance between the professional and personal lives of our employees.



THE IRIZAR BRAND

While we are aware that the brand is one of the company's main assets, our strategic lines are focussed on developing Irizar brand technology products as well as on a clear commitment to increasing our technological capability, industrial diversification and sustainability.

We offer our customers high added value by providing them with products created and developed thanks to the knowledge of the entire group. These products, aimed at the Premium segment, provide a differential in terms of safety, reliability, sustainability, technology, service and profitability.

This led to the birth of Creatio, the Irizar Group Research and Development Centre. Creatio enhances the Group's capacity for applied research and technological development for its products and systems. Creatio works in long-term innovation, with a view to improving sustainable competitiveness in the future and generating wealth and employment as it grows.

Creatio combines the technological capabilities and synergies of the Group companies and is the result of the Irizar Group's key strategy of a constant commitment to industrial innovation. It is currently working on more traditional projects such as systems integration and firmly supports the new development of integral coaches and Irizar's electromobility line.

Irizar fully equipped coaches

Irizar brand integral coaches and buses are the ultimate representation of our brand. At present, the entire range of integral coaches is available to all our world-wide customers. This undoubtedly represents our clear strategy to grow our own brand in Europe and the United States.

Electromobility as the Group's future commitment

Irizar leads the electromobility market in cities and is positioned at the forefront of related new technologies with the aim of promoting the use of clean and accessible transport that is committed to the environment, well-being and health of people and creating better urban environments.

Thus in this line:

- We continue carrying out the current communication strategy, which is now it is reinforced by the possibilities offered by our new installations for customers and R&D.
- We continue offering products created within the Group with our own technology, which allows us to enter the market with a complete package of products and services and provide recurrent in come after sales.
- Also, we continue to remain focussed on dominating the complexity of complete products and systems to reinforce our brand with technology and quality with the aim of becoming a manufacturer of prestige.



OUR COMMITMENT

Towards customers and passengers

Irizar's main strategy is to "Earn the loyalty of our customers" based on four major pillars that have underpinned our Group philosophy throughout our history: safety, reliability, profitability, service, technology and sustainability. The designs and developments of new coaches are carried out with the participation of collaborators, suppliers, customers, drivers and passengers and conducting an analysis of their needs. Only this way, based on the constant work and concern for always improving and advancing along this line, these aspects have become the representative elements of the brand and of Irizar coaches. A clear commitment to supply buses that are safer, accessible and reliable for our customers and for passengers.

In 2015, we conducted periodic surveys of our inner market customers as well as of our European customers who have purchased fully equipped coaches. This is undoubtedly a good way to incorporate the customer's voice to our improvement actions.

The **Irizar i2e** 100% electric bus we introduced into the market in 2014 was awarded the **2015 Bus of the year award in Spain**. This award, established by the road transport sector magazine, Viajeros, reward the excellence of new bus and coach models and is recognised as the nation's most important award in the bus and coach category. Further details of our electric bus can be found in the chapter dedicated to the environment in this report.

In 2015 Irizar introduced the new state of the art **Irizar i8** model coach onto the market. A high end coach which is the sum of multiple technological solutions developed by the Irizar Group and offers detailed aesthetics arising from Irizar's experience and from its drive to innovate. The Irizar i8 is a luxury tourist vehicle for long-distance, regular lines and other special services, equipped with the most advanced technology on the market. It is the new flagship of the brand and the model that replaces the Irizar Pb, with strong improvements and the incorporation of cutting-edge technology.





Passenger safety is our priority

Active and passive safety are the strategic aspects of our new developments. Everything required is invested in technology and innovation to become the leaders in this field, where Irizar is ahead of the demands and regulations of each market in order to achieve and guarantee the maximum levels of safety, for the driver as well as for passengers.

Active safety (Preventive safety)

All our coaches and buses are equipped with the most advanced active safety technologies on the market in order to help, warn and assist drivers and avoid risky situations. We also offer the possibility of training on best driving practices in order to minimise distractions and contribute to safer, more efficient and more reliable driving.

MagicEye is a technologically advanced assistance system developed by Datik, an Irizar Group company, which helps to minimise the risk of distraction and collision by detecting and anticipating situations through artificial vision technology, thereby contributing to more reliable driving.

We conduct awareness and education campaigns in schools so that our children are aware of best practices when it comes to safety.

Passive safety

Our priority is to minimise the consequences for those persons involved in an unavoidable accident. This is the objective of passive safety. To this end:

- We design the structure of our coaches taking into account resistance to roll-over, front-on collisions and crushing of the passenger compartment.
- Irizar coaches comply with future R66/01 regulations on the roll-over resistance of the structure (effective in 2017).
- In addition to two-point belts, customers may opt for comfortable three-point seat belts, adjustable in height for all ages, and Isofix.
- We comply with European standards for PRM (persons with reduced mobility) in terms of elevator systems and wheelchair anchoring systems.

Our seats are developed with the safety and comfort of passengers in mind. Including that of our youngest passengers.

Irizar seats are designed to provide safety and comfort to passengers. They undergo stringent resistance testing to reduce injuries and ensure that the minimum residual space is maintained. They comply with the most stringent new regulations, R.14 in Europe, 20G in the USA and ADR80 in Australia.

We also offer ongoing training to fire-fighters for the purpose of teaching them the best way to stabilise coaches and their risk components so that they can perform the best possible extrication techniques.

The reliability of buses and coaches (Irizar warranty)

Our customers are assured of having a reliable vehicle. We have more than 125 years’ experience in building coaches which, for the last 20 years, have operated on the five continents with their diverse climates and road conditions.

Our coaches are designed under the most stringent quality parameters, with robust and reliable finishes of the highest quality.

In addition to introducing the latest technologies in design, materials, components and production processes, before placing our buses or coaches on the market or introducing any significant changes they all undergo the most demanding reliability tests, both in terms of the manufacturing process and in renowned independent institutes and engineering firms.

An accelerated fatigue track is used to simulate the accumulation of kilometres equivalent to the entire service life of the vehicle. The tests combine driving on different surfaces and at different speeds. A series of manoeuvres are carried out to stress the structure of the vehicle and to force the suspension systems, detect noises inside the compartment, view the intrusion of dust inside the compartments and even analyse wear.

We simulate an intensive use of the coach to check its durability under the most severe conditions. The monitoring of the test is extensive. On a daily basis and every certain percentage of tests, technicians from independent institutes inspect the coaches to detect any anomalies due to accelerated fatigue.

Profitability for our customers

We offer maximum returns for our customers based on lowering fuel consumption which we achieve by designing coaches with optimum aerodynamics and weight distribution, reducing maintenance costs and offering maximum accessibility to the components to facilitate maintenance.

The high value of repurchasing Irizar coaches and the warranty coverage are factors that make it a profitable investment .

At the Group we have fleet support and management systems developed by Datik

The iPanel fleet manager offers the most advanced technology to provide customisable solutions according to the needs of the business model. iPanel services are tailored to be integrated into the client’s processes, helping them in decision-making for the purpose of optimizing the fleet’s performance and profitability.

Thanks to our fully customisable fleet management system, our customers can optimise the performance and profitability of their fleet, in addition to thoroughly monitoring costs and efficiency and provide safety during operations. Datik products and services are designed for commercial fleets of all sizes.

Ecoassist reports system data that allows reducing consumption, helping to identify route sections where more instructions are provided to the drivers.

Thanks to the intelligent information we can better plan the training of drivers, the purchasing of vehicles and the operating routes for the purpose of reducing costs and improve the competitiveness of the service.



Sales and after-sales service

Customer service is a benchmark and differentiating value at Irizar. We offer a close and personalised service aimed at building trust that begins at the moment in which the customer defines and configures their coach in accordance with their needs, along with a team of employees who will accompany them throughout the entire service life of the vehicle, helping them to make the best decisions to make their coaches profitable.

Personalisation and flexibility to meet the demands of our customers is a key differentiator in Irizar. We offer maximum adaptability enabling customers to configure the coach and other equipment options to suit them, just as they wish.

We have a modern and innovative showroom and design space that includes all the available options for interior and exterior coach configuration with physical and virtual samples of the fabrics and coatings on offer in exclusive customised designs and suggestions regarding the furnishings. It also has extensive information about the Irizar world.

A new modern building has also been built for handing over coaches to the customers.

Our customers will enjoy a wide range of services which include an integral repair service, tune-up and maintenance service of maximum guarantee operating 24 hours a day, 365 days a year.

We also have modern technical and logistic centres for handling orders and spare parts and supply the required parts to any location around the world in minimal time.

The iservice tool is a web platform for managing the servicing (use, maintenance and repair) of the vehi-

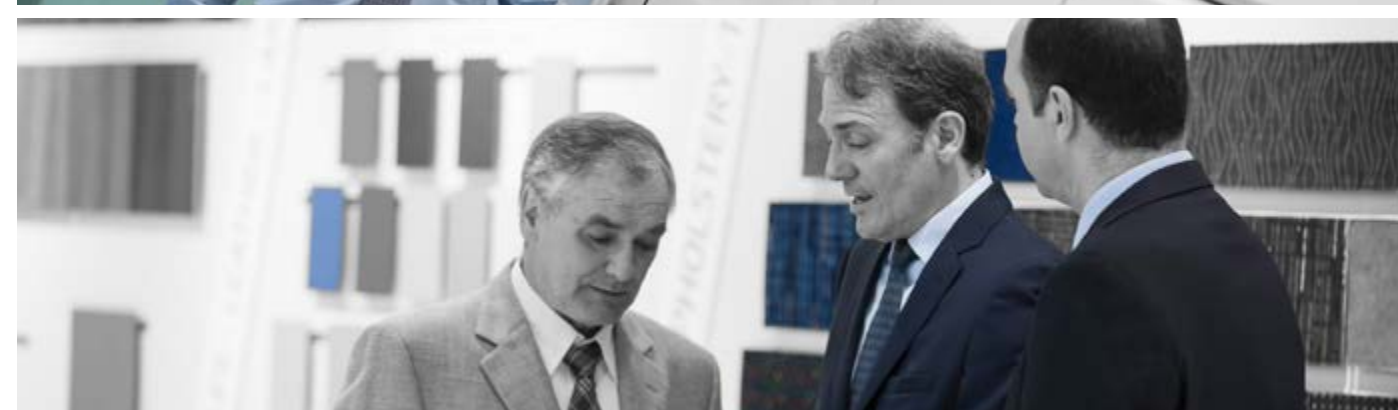
cle and offers the possibility of on-line access or via mobile phone or tablet to conveniently review the technical documentation about your coach, the service manual, the workshop manual, pneumatic and electrical information as well as the support network to facilitate repairing the vehicle. Also allows viewing the personalized spare parts catalogue for each vehicle, graphics, visual and listed by families and components and even managing the ordering of spare parts, their monitoring and delivery via Eshop.

We facilitate the accessibility and mobility for people

Large spaces and accessibility for passengers becomes an important feature and therefore in recent years, innovations have been introduced in this area for the purpose of offering the maximum comfort and the maximum accessibility of the passengers.

We offer a wide range of solutions for prm (persons with reduced mobility) and anchors for wheelchairs to allow these persons to access the coach through the same doors as the rest of passengers, thus avoiding any type of discrimination.

Among many other options, also worth mentioning is the developing of reading systems for the blind on the coach.



OUR COMMITMENT

With the employees that comprise Irizar

Irizar is comprised of over 2,600 employees. Working together we form a team with the common objective of maximizing the value of our customers, providing them the best products and services adapted to their needs and offering them the guarantee of a solid Project in which to trust. All of this as part of a strategy based on approaching the client and building a direct relationship for the purpose of earning their loyalty and trust.

We work hard every day to reach a position of leadership in all of our businesses. The excellent management and commitment of our personnel promoting

communications, participation, self-management and teamwork is the key to our future success.

We involve ourselves in the well being of people and the community, we are still concerned regarding advancing together towards a sustainable growth that is respectful towards the environment.

The satisfaction and motivation of personnel is our maximum priority and for this we have a specific management style that focusses on promoting the professional capabilities of each employee based on the belief that each person and their talent is essential.

We promote leadership, participation, self-management and teamwork, while creating a working environment where we all can contribute something more to the Project based on our possibilities and dreams. We believe this is the way to promote that each person carry out their part of the process responsibly and professionally and in the end, ensure we have personnel who are committed with the Project and with the mission, vision, keys and values for reaching the set objectives.



Communication and transparency

Communication and transparency are the cornerstones to ensure information and knowledge about the corporate strategy, the projects, objectives and the monitoring of the daily activity, flows and is shared by all. This also allows us to publish the company's achievements, disseminate the most important economic events and the evolution of the sector as well as the sociocultural and social responsibility related activities.

We believe this is the way of transmitting the corporate culture and of generating the integration, satisfaction, motivation and involvement of all personnel, until we have people that are ever more committed and who participate in the actions and decisions that affects them.

This way our internal communications strategy includes a communications structure and channels, which we consider guarantee the flow of information to all personnel. The decisions we list in this report are a result of a strategic analysis carried out by personnel representing all of Irizar's work teams, including direct and indirect personnel.

Forums

These are the main mechanisms for communication, carried out directly by the Director General and the management team and where the most relevant information is posted for all Irizar personnel. The following is carried out annually:

- [3 Assemblies](#) where purely strategic issues are discussed as well as annual action plans and legal issues related with the cooperative.
- [Quarterly meetings of the Customer Line Team](#), where the daily activity as they relate to the annual objectives are monitored.
- [Monthly meeting of the Social Council](#) where the decisions taken at the Governing Council meetings are recorded, which minutes are published monthly. Apart from the issues about the daily activities and the monthly financial situation, other issues are discussed regarding Safety and Health and the Environment.
- [Daily meetings](#) where the activities related with the production of coaches are monitored.

Participation in the management and the results

The strategy and management of Irizar, S. Coop. and the rest of companies from the group are aligned and the actions are carried out within a participative management and results framework .

Proof of this is the participation of all personnel in the strategic analysis that is periodically carried out at Irizar.

The process of this analysis includes different working meetings where personnel from the Management Team, the Governing Council and direct and indirect personnel participates in a first phase and which script covers aspects of external debate that

affect Irizar's activities such as the macroeconomic situation, analysis of the sector, the market and competitors.

Beyond the ideas of this first analysis, a series of analyses are carried out about the internal situation of Irizar as well as the VTSO (Vulnerabilities, Threats, Strengths and Opportunities; DAFO in Spanish) for the purpose of reaching general conclusions, which in turn were transferred to all Irizar personnel, who have the opportunity of participating in the process by taking in suggestions and proposals which will subsequently result in actions for improving the competitive position.





Our personnel team Job creation

The philosophy of Irizar Group is based on an unequivocal investment in growth and generation of wealth for the persons of the country where they operate, in addition to promoting local suppliers. All the productive plants of Irizar incorporate the required and suitable equipment, technical tools and installations for producing coaches and buses in compliance with the most stringent standards as far as quality, safety of personnel and respect for the environment.

All personnel enjoy labour conditions that are well above the average conditions in the area.

Irizar, in spite of the economic crisis, has maintained the coherence with its social commitment, which reflects especially in having maintained jobs during the most unfavourable conditions. This evolution can be seen in the indicator that is provided below.

2015 has been another year where we have experienced a strong growth and job creation at Irizar Ormaiztegui. The Group has surpassed EUR 550 million in turnover and as a consequence of this growth trajectory over the past two years, we have hired on 142 people, steadily increasing the workforce by 20%. Of these new hires, 99 correspond to higher-level vocational training profiles and the remaining 43 people are Masters graduates hired, above all, to increase our technological capability and ability to carry out our R&D projects.

We value quality job contracts and are able to affirm in this sense that most of the people hired, over 95%, have a permanent type contract. The by-laws that regulate the admission as an indefinite member include the compliance with the established requirements for a 3 year period, after which time the membership switches to a specific duration. The employee will remain in this status for a 4 year period, after which time their status will be of an undetermined duration, after having successfully passed the applicable periodic evaluations.

Personnel at Irizar also enjoy important advantages and promotions in areas related with banking, communications, insurance, vacations, fuel, spending, etc., which are promoted and negotiated through the Governing Council.

Irizar established the **Irizar Trainee Program (ITP)**, a training and development program designed to incorporate professionals in the technical areas as well as in the areas of production or marketing which, after undergoing continuous a training and evaluation process, will understand our strategy, develop professionally with us and are hired indefinitely with the company. This program is designed for mechanical, electrical and organizational industrial engineers without experience or with less than one year of experience and with a high level of qualifications.

Diversity and equal opportunity

We also offer internships and scholarships for different specialities and the option of carrying out the final university project.

We are in contact with the Universities in Basque Country and Tecnun through their Employment Forum, collaborating in the training and incorporation of students in the job market and teaching conferences and classes in advanced Master Degrees in accordance with the University Study Plan.

Along these lines we also collaborate with local engineering schools with the Formula Student. Formula Student is an annual world wide competition to promote excellence between a wide range of teams that work year long designing and building a single seat race car. We are promoting the designing of an electric car that will allow students to practice their knowledge simulating a real situation where the team must work as if they were part of a company.

In collaboration with professional training schools we offer 20 students of higher-level vocational training the possibility of completing their professional on-the-job training with us.

We want to protect equal opportunities, non discrimination and the respect for diversity, as reflected in our incorporation of new personnel policy.

Our by-laws state the following: "The following will not be reasons for denying admission: political, trade union or religious ideologies, (as well as the race, language, sex or marital status of the candidate) unless these are explicitly opposed to the principles and cooperative organization and the goals, commitments, values and principles of Irizar, S. Coop. stated in Chapter 1".

This way all personnel hired at Irizar are covered by the same conditions, including salaries as long as they are filling positions with the same level of responsibility.

All our installations are equipped for the purpose of accommodating the accessibility of persons with disabilities. In this sense, we follow a philosophy that includes working with companies or collaborators that welcome or incorporate persons with disabilities and which we integrate in Irizar's productive process. Refer to the indirect hiring of persons with disabilities in the chapter dedicated to "Our commitment with external collaborators".

Training

The high technological and technical demand and the growing complexity of our activity, at the commercial level as well as that of design and development and the provision of products and services, demand increasing the training as well as a training that is more specialized and capable of adapting to the changes and new challenges we face each year.

Because innovation is part of our culture and we wish to expand the limits of knowledge, discover new ways of creating products that are actually different and surprising; because we want to always be a step ahead, we implement rigorous multidisciplinary training plans that are suitable for personnel with the special purpose of preserving and improving their qualification, their profile and versatility, while understanding that all of this undoubtedly benefits an increase in the knowledge of the quality of our products and services and improves our efficiency.

Also worth mentioning is the continuous flow of personnel through the production plants and companies of Irizar Group to support, promote and take advantage of the synergies in the activities and actions that are carried out within the planned strategic and working lines, for the purpose of increasing their knowledge and capabilities, thus guaranteeing the future success of the company. This allows us to have an organization that is agile, and which pushes us to always remain a step ahead.

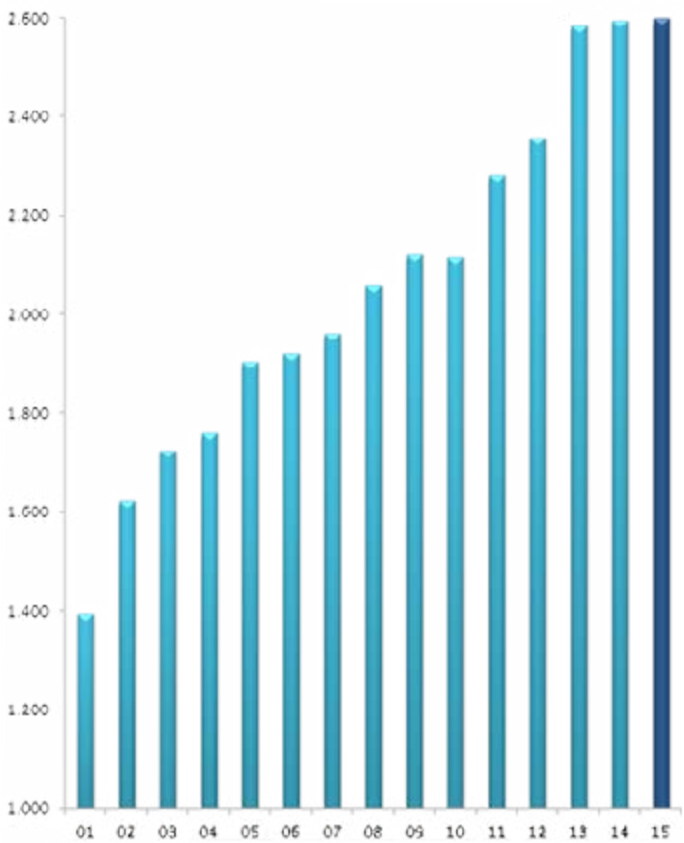
Balancing work and family life

We support reducing working hours or flexible working hours for the purpose of balancing work and personal lives.



Evolution - Job generation
(Irizar Group)

This graph reflects our unequivocal commitment towards generating wealth and creating jobs. As mentioned before, in spite of the economic crisis, not only have we maintained jobs, in fact they have been increased in the last three years.



Rotation of personnel

Due to the fact that all personnel are covered by the same labour conditions, which is better than those of the average in the area, the personnel rotation rates are very low and are below the average of the countries where we operate. Undoubtedly this is further proof of the satisfaction and the motivation of our personnel.

Job creation (Irizar S. Coop.)

In spite of circumstantial difficulties, not only have we maintained jobs, but we have hired a total of 84 people in the last two years.

	2013	2014	2015
Irizar	702	765	786

Quality of the contracts

Permanent type contracts with respect to the total number of employees.

Positive trend as a result of an increase in the total number of employees from the year 2013 to 2015 and retirements.

	2013	2014	2015
Members	95%	93%	83%
Hired during the member candidacy period	5%	7%	17%

Access to methods for balancing work and personal lives

As part of the philosophy of facilitating the reduction in working hours and promoting flexibility in the working hours for the purpose of helping to balance the professional and personal lives of employees, we can say that 100% of the working hour reduction requests (3, 4, 5 or 6 hours) and adaptation of working hours have been approved.

Training

	2013	2014	2015
Hours dedicated to training	5779	6551	4701
No. of personnel	210	264	166

Diversity and equal opportunity

Worth mentioning regarding sex equality is that all personnel hired at Irizar are covered by the same conditions, including salaries as long as they are filling positions with the same level of responsibility.

Average age

Due to the incorporation of new personnel and the retirements we have had in recent years, the average age of our employees has decreased.

2013	2014	2015
40,10	40,44	39



The safety and health of our personnel

We value the safety and health of personnel as two essential aspects of our daily activity. These are unwavering dogmas when applying any innovation to product sand/or productive processes, with the primary objective of adapting the job position to personnel.

The prevention team carries out an important number of tasks, of which worth mentioning are the dissemination campaigns and related forums, the analysis of all incidents and accidents with or without employee down time, the monitoring of all

improvement actions suggested in the forum and the implementation of the applicable measures in each case. All for the purpose of reducing accidents and raising awareness of personnel and intensify their awareness and training regarding the safety and health culture.

Also worth highlighting are the activities that are or have been regularly carried out:

- Defibrillators have been purchased and installed in all areas of Irizar's central headquar-

ters. In 2015 one of every six employees has received training on how to use the defibrillators.

- Start-up of Osarten's joint prevention service where Irizar has the preventive activities in the areas of Safety, Hygiene, Ergonomics and Psycho-sociology and the External Prevention Service with Fremap in the Preventive Medicine speciality.

- Safety and health inspections are carried out as well as periodic safety inspections of all the Industrial Installations.
- An indoctrination plan is established for all newly arrived personnel, providing training on safety and health matters related with their job position.
- Also, periodic training is offered on the hazards of the different jobs.
- If the health surveillance service decides, rotations will be carried out of job positions and continuous training will be offered on the new positions.
- Continuous investments are made in the implementation of different measures (tools, suspensions, handling carts, external manufacturing...) to reduce the handling of loads and repetitive movements. This at times entails designing our own non-commercial equipment.
- For the purpose of improving the hygienic comfort in 2015, investments have been made for environmental improvements in the reinforcements and the body. Also, suctioning equipment has been purchased for working industry environments.
- Also in 2015, in fire fighting installations we have made investments to improve critical areas (paint cabs).
- All clothing and equipment used is complaint with the specific UNE Regulations. Personnel participate directly in the selection and improvement of the clothing and PPE
- Management of the PPE is carried out using dispensing equipment that is always connected with the supplier, thus allowing to have an unlimited System for ordering PPE with full traceability.

As part of this framework, **in the last 3 years we have invested over €1,000,000** and we have increased safety, especially by reducing risks that could result in serious injury.

As a consequence of this, we can affirm that the accident rates have decreased considerably (see the indicators). Our intention is to continue moving forward into the future also thanks to the more than evident involvement of all Irizar employees.

As added value for the well being of all personnel, at Irizar we have a medical and physical therapy service, which has undoubtedly contributed to a continuous assessment of personnel best posture habits and improving data on the prevention of physical injuries.

Also personnel that have been with the company for more than one year enjoy an excellent medical and dental coverage with ASISA, which is one of the three leading companies in Spain and which supplements the current medical coverage. As an additional servi-

ce, it offers the option of providing medical and dental coverage to direct family members under absolutely advantageous conditions.

Worth mentioning is that we transfer this way of working to all the countries and production plants where we are present, while always maintaining the objective of guaranteeing the safety and health of Irizar employees.

INDICATORS

In 2015 we have continued reducing the frequency rate (number of accidents per working hour) as well as the incidence rate (number of accidents per number of employees) and accidents resulting in lost work days.

Frequency rate

2013	2014	2015
69,4	61,3	54,99

Accident rate

2013	2014	2015
112,40	96,88	90,82

Workplace accidents with employee down time

2013	2014	2015
702 workers	754 workers	786 workers
79 accidents resulting in lost work days	70 accidents in lost work days	70 accidents in lost work days

OUR COMMITMENT

With external collaborators

Supplier satisfaction is based on their ability to offer products and services that help us improve our values and our competitive position.

The relationship with them and the rest of external collaborators shall be based on ethics and professionalism.

In this sense, we design and develop coaches with the participation of partners and suppliers. Regarding the main suppliers, we have established what we call a “logical management per coach”, since these suppliers are integrated in such a manner that they can consult the management system for information about their production schedule for Irizar, pending orders, the goods that have been received and the continuous inspections conducted by the customer regarding the confirmed specifications and their items associated by coach.

Hiring of disabled persons

Indirectly through our supplier Katea, the following disabled personnel work for Irizar S. Coop.: 68 disabled persons in 2015, which equates to 8.6% of our staff in 2015.

Indirect hiring of disabled persons

2013	2014	2015
3,8 %	4%	8,6%

In addition to the strategic alliances we maintain with our partners in companies affiliated with the Irizar Group, we maintain agreements with distributors, who facilitate the distribution and service near the customer in specific markets throughout the world.

Regarding the addition of knowledge and technology to the Group, we continue collaborating in our projects with the following technology centres which supplement our knowledge: CEIT, CIDETEC, TECNALIA; etc.



OUR COMMITMENT

With the environment

For a sustainable world

We are engaged in projects to improve energy efficiency, to optimise waste management in all our businesses and reduce the environmental impact of our business and our products and to help improve the health and quality of life of citizens.

Our commitment with the environment dates back to 1998 when Irizar became the first coach manufacturer in obtaining the ISO14001 certification. In the year 2009 we joined the Stop CO2 Euskadi initiative of the Basque Office for Climate Change.

In 2015 Irizar conducted a Life Cycle Analysis of the i2e and i6 models using the Product Category Rules (PCR) developed by us, becoming the first company in the European sector in conducting said analysis.

Irizar environmental policy

Currently the most relevant principles that govern the sustainability policy of Irizar Group are:

- The Application of environmental criteria in the design of our products (Ecodesign).
- The incorporation of Best Available Technologies (BAT) in our manufacturing processes which have led to the implementation of processes relating to waste separation, welding fume extraction and 100% recycling of the solvents used in the painting process, have thereby reduced the annual consumption of electricity and, consequently, the emission of CO2 into the atmosphere.
- The constant search for the best solutions for achieving the maximum reduction of CO2 emissions. We can also point to our strong commitment to incorporate water-based paint in all our paint processes.
- Eco-efficiency - The implementation of measures to progressively reduce the generation of waste.
- Electromobility as a new strategic decision and of great significance as far as innovation in sustainable mobility for the future of our cities.
- Responsible energy consumption.
- Encouraging the commitment of all our personnel regarding these aspects of environmental, social and economic sustainability.



Irizar e-mobility

Our most important step; promoting electromobility in cities with great improvements and elimination of CO₂.

Undoubtedly, electromobility for cities is our main strategic goal and an important step regarding innovation in sustainable mobility. It reflects our firm commitment to contribute to improving transport safety and the quality of life for citizens.

This new strategic line has resulted in the introduction of the first 100% electrical buses (zero emissions) of Irizar Group in 2014 and their industrialization in 2015.

The Irizar i2e has become a benchmark in sustainability and eco-efficiency aimed at urban mobility, addressing the current and future needs of city transport.

The Irizar i2e coach, which already operates in cities such as London, Barcelona, Paris and Marseille, intends to position itself as a leader in urban mobility, with this strong commitment to contribute to sustainability and improving the environment in cities. Since 60% of the population in the European Union lives in cities, the elimination of contamination is

one of the great challenges facing urban centres. Combustion vehicles account for 40% of the CO₂ emissions and 70% of the other pollutants. Each electric bus will reduce the annual emissions of CO₂ by 318.28 tons during its service life and will save 33,000 litres of fuel.

An extract of the environmental excellence case drafted by Ihobe (Public company for environmental management of the Basque government) on Irizar's electric bus is provided below.

This continuous work of improving the surroundings and their commitment with the environment has prompted Irizar to invest over 60 Million Euros in the last 5 years. Irizar is considering building the new electromobility plant of Irizar Group in Guipúzcoa for the purpose of building different vehicles (electric bus), components and systems beginning in 2017.



Irizar i2e: 100% electric city bus by Irizar Group

Developed and manufactured with the Group's own technology and a life-cycle approach, it is the result of Irizar Group's strategic commitment to innovation, with the aim of becoming a benchmark in sustainable urban mobility.

The 100% electric vehicle is designed to achieve the best possible energy efficiency (reduced consumption) and vehicle range as well as the optimal end of life management of the vehicle.

With a carbon footprint of 8.45 g CO₂ eq./pkm (per passenger kilometre), the i2e model is the result of joint work by the Irizar Group companies; Jema, Datik, Hispacold and Masats.

Background

Combustion vehicles account for 40% of the CO₂ emissions and 70% of the other pollutants in urban

centres. Europe's leading cities (Paris, London, etc.) are demanding more sustainable urban transport models, with lower emissions and less noise.

The design of Irizar's 100% electric i2e bus seeks to establish the Irizar Group as a leader in sustainable urban mobility. The objectives have been clear since the design and planning phase: To achieve the highest possible energy efficiency, increase the vehicle's range and optimise its end of life management.

Currently hybrid bus models are available on the market that use fossil fuels and electricity; however, as a differentiating factor, the Irizar i2e bus incorporates a model that is 100% electric, for traction as well as climate control.

0% emissions directed at an urban environment. 86% reduction in the carbon footprint compared to a conventional diesel bus.

Operating range of 200-220 km with a single charge lasting 5-7h (15-17km/h).

Materials and equipment recoverability and recyclability rate greater than 90%.



Emissions and pollutants

Elimination of direct emissions in the use phase (CO₂, NO_x) along with the absence of noise and vibrations for passengers.



Raw materials and waste

New modular bolted system and 100% recyclable batteries. Less maintenance and longer service life.



Energy

The efficiency of an electric traction system is around 70% compared to a maximum of 35% with a conventional diesel one.



Noise

Elimination of the noise generated by a combustion engine which virtually eliminates exterior noise emission for passers-by at low speeds, when stopped and when starting.



Social benefit

The Irizar i2e offers a sustainable and eco-efficient urban mobility solution responding to the current and future needs of city transport.

According to the United Nations, the world population is growing by around 75 million people each year and this trend will continue for decades. There is a greater urbanisation, resulting in mega-cities (cities with a population of over 10m people) and increasingly populated areas. Public transport plays an important role in the mobility of millions of people, and this transport must be sustainable. In recent years, we are seeing a growing demand for electric vehicles on the road, driven by the emissions of combustion engines and the consequences these have on the planet and people.

Both 12m and articulated vehicles, with their new capacities and storage strategies, are becoming real alternatives to thermal combustion vehicles.

Therefore, the Irizar i2e contributes to:

It improves the quality of life of citizens by directly reducing CO2 emissions: The elimination of contamination is one of the great challenges facing urban centres. Combustion vehicles account for 40% of the CO2 emissions and 70% of the other pollutants.

Noise reduction: Noise pollution is increasing. According to a recent study, in Western Europe, this problem is the second largest environmental cause of ill health, behind contaminated air.

A report by the WHO and the European Commission found that, between them, Western Europe's 340 mi-

lion inhabitants were losing one million healthy life years each year. Another recent analysis by the European Environment Agency calculated that over 125 million Europeans endured noise levels exceeding European Union recommendations and estimated that noise was responsible for 10,000 premature deaths each year. If 12% of cars were electric, that would lower noise levels by half a decibel.

Environmental benefit

The i2e's electric technology eliminates direct emissions of greenhouse gases (GHGs) and toxic substances such as NOx and particulates when operating in urban centres (due to not having a combustion engine), which contributes to a healthier and more sustainable urban environment.

The i2e bus has a very low carbon footprint of 8.45 g CO2 eq./km.p (per passenger kilometre). Compared

to a conventional combustion bus, the emission of around 800Tn of CO2 eq. is prevented during its service life (difference between the emissions associated with the electricity consumption of batteries and fuel combustion). If the carbon footprint of the whole life-cycle is taken into account, the i2e prevents the emission of around 35Tn of CO2 eq./p.

Energy efficiency

Irizar has focussed its efforts in optimizing the efficiency of the 3 key aspects that contribute to the overall environmental impact of the bus: (1) the traction system and the batteries, (2) the raw materials used and (3) the management of all its components at the end of their service life.

The most noteworthy technical characteristics of the i2e are:

The electric drive system has an energy efficiency of around 70% compared with 35% for a conventional diesel bus which means only half the consumption is required to travel the same distance.

The electric mix used during the operating phase determines the final impact of the vehicle, since the higher use of renewable energies in the production of electricity for charging the batteries, the lesser the environmental impact this charge and consequently, the lesser the environmental impact of the life cycle of the vehicle. Promoting the use of renewable energy in cities and by part of public administrations would considerably reduce the environmental impact of electric urban transportation.

It incorporates very light weight and compact So-Nick Batteries as the power supply for the traction and climate control systems with the following characteristics:

- * A 40% reduction in weight and size with respect to the conventional Pb battery and 26% with respect to the Lithium-ion battery, saves on raw materials and reduces the weight of the vehicle, which are directly related with the energy consumption.

- * Improved specific energy, increasing by 6% the energy installed per each kilogram of battery.

- * May be handled at higher temperatures, which enables it to be installed on the roof of the vehicle and a passenger cabin design that is more flexible, accessible and visually comfortable.

- * The manufacturer insures the battery for 5-7 years and guarantees each complete charge will only reduce its efficiency by 1%, (each charge ensures 99%



efficiency of the battery), therefore during the service life of the vehicle (15 years) the batteries only need to be replaced once.

* The lower efficiency of these batteries as compared to the Ion-Li type is compensated by the i2e incorporating a large amount of energy on board (376Wh), its operating C-rate is relatively low and does not require an auxiliary cooling system, which is required for Lithium-ion batteries.

The i2e also incorporates pioneer climate control technologies that allow offering optimum comfort levels reaching more energy efficient points, as well as the Eco-Assist, which provides the driver information in real time regarding the consumption, range, route, etc., and allows to modify the operation of the vehicle to achieve the best possible energy efficiency.

The i2e also incorporates a direct regenerative energy consumption system by means of braking.

Irizar has modified its method of manufacturing buses, prioritizing the ability for components to be removed and recycled, changing the traditional weld system with a new method based on modular screw-in type, with vehicle recyclability and recoverability rates greater than 90% in accordance with standard ISO 22628 "Road vehicles. Recyclability and recoverability calculation method".

* The aluminium structure that is screwed to the chassis eliminates the permanent welds, facilitates its separation and independent management during the end of the vehicle's life cycle.

* The batteries are 100% recyclable with ratios of 60% that are being achieved for example with lithium-ion batteries according to the data provided by the project financed by the European Commission LIFE "ReclionBat" to develop techniques that allow recycling these types of batteries.

* The bus has a longer service life and lower maintenance requirements since the use of fewer mechanical moving parts increases the service life of the traction system. In the i2e only the engine rotor turns since it does not have a gearbox or clutch, while on conventional buses, in addition to the gearbox and the engine, they have rotating or moving parts.

* The inverters and rest of elements of the i2e's traction system have a service life that is equal to or greater than that of the bus, while in combustion vehicles, the gearbox, engine, turbo-compressors, gas recirculation valves, particulate and anti-pollution filters, etc., have a lower service life and require repairs and replacements.

Noise

The i2e's electric technology removes the noise of the combustion engine which virtually eliminates exterior noise emission for passers-by at low speeds, when stopped and when starting, while the average noise emission of a bus with a conventional combustion engine while idling is 90dB(A) and is even higher when starting.

Other benefits

- Range of 200-220km with a single charge of 5 - 7h (15-17 km/h)
- New modular bolted system and 100% recyclable batteries. Less maintenance and longer service life.
- It is the first electric bus that complies with the highest passive and active safety requirements, as it is the first and only electric bus on the world market that complies with the R.66 roll-over safety regulations.
- The i2e is a 100% electric 12m bus with 3 double doors, low continuous floor, large glazed surfaces (it has a back window and translucent windows run along both sides from the front to the back of the bus) with optimised environmental impacts.
- It has gained R107 approval regarding accessibility for persons with reduced mobility (possibility of electric and manual ramp for disabled persons). It offers great flexibility to design the seat distribution and areas for wheelchairs.



ENVIRONMENTAL INDICATORS

The increases in consumption that are provided in the report are based on the fact that in 2015, a strong growth was experienced in the rate of production and the type and specifications of the coaches being manufactured became longer and taller (14 and 15 m long and 3.70 m tall). Additionally:

- Personnel from other companies have joined the Group, mainly from Brazil, for the purpose of getting trained and learn to support and handle this increase in production. Their different cultures and working method have affected these rates.
- The manufacturing of Irizar fully equipped coaches has increased (not the bodies). The different process used for painting requires using more paint.
- The new products introduced on the market in 2015 (the Irizar i8, the 100% electric i2e bus and the Irizar i6 coach for the USA market) have become industrialized and their characteristics and equipment have required new operating methods and working procedures. As progress is made in industrialization, the consumptions will become consolidated and adjusted until the minimum requirements are met.

Consumption of natural resources:

Water: The increase in the use of natural resources is associated with the aforementioned aspects of production, which have caused the number of cars subjected to leak checks to increase. Other aspects to consider are the use of water for cooking (the number of diners has increased) and also the use of sanitary water (baths, showers, etc.)

Electrical energy: Power consumption has decreased because we have an investment package destined for energy efficiency, which actions are providing good results.

Natural gas: In 2015 we have experienced a sensible increase of 3.63% with respect to the previous years' consumption. This increase is primarily a result of the consumption at paint cabs. An increase in customer orders for high range coaches has also increased the re-paints (coats of lacquer applied to the vehicle), which has increased the drying time at cabs.

CONSUMPTION OF RESOURCES	2013	2014	2015
Water (m3 / coach produced)	9,29	9,72	10,67
Electrical Power (kWh / coach produced)	6292,81	5655,24	5240,75
Natural Gas (kWh / coach produced)	9090,48	7914,71	8201,92

Consumption of chemical products:

Thinner: In 2015, a reduction in the consumption of thinner was reduced by 16.53%, which reaffirms the good job carried out by reducing the emissions of volatile organic compounds. Analysing the evolution or trend of said consumption throughout the last years we have noticed that said evolution is very positive and continues to slowly decrease, mainly as a result of the good practices implemented in the organization.

Paint: Contrary to what has been observed regarding the consumption of thinner, in the year 2015 the consumption of paint increased by 42.08% with respect to the year 2014 as a result of the aforementioned productivity factors.

CONSUMPTION OF RESOURCES	2013	2014	2015
Paint consumption(m2 treated surface (kg/m2)	0,404	0,347	0,493
Thinner consumption(m2 treated surface (kg/m2)	0,231	0,196	0,163

Hazardous waste:

Certain exceptional production circumstances occurred in 2015 which have resulted in an increase in the amount of hazardous waste generated; from 234.68 Kg per coach in 2014 to 285.43 Kg/coach (and increase of 21.02%).

As the new models and the new rhythms are consolidated, the consumptions working operations will become optimized for this purpose and consequently, the amount of generated waste will also be optimized.

HAZARDOUS WASTE	2013	2014	2015
RPs generation/coach produced (kgr/coach produced)	241,40	234,68	285,43

Non-hazardous waste:

Just like in the case of hazardous waste, in 2015 the different factors associated with production have resulted in an increase in the non-hazardous was-

te generation ratio per coach, which has gone from 1184.57 kg in 2014 to 1236.19 kg in 2015, which is an increase of 4.36% for these types of waste.

NON-HAZARDOUS WASTE	2013	2014	2015
Total (Kg/coach produced)	1191,07	1184,57	1236,19

OUR COMMITMENT

With society

Society plays a leading role at Irizar. Our strategy in this respect is provided below: "Our relationship with society will be based on respect, will be open and participative while we collaborate in creating wealth and jobs, with education, with culture and sports in our immediate area as well as carrying out social work".

As we already described in the chapter dedicated to our commitment with employees, we are proud of maintaining and creating jobs, even during the worst years of the crisis. Also in spite of the economic crisis we are contributing €1.5 million per year to support our community. We make great efforts both financially as well as dedicating personnel from Irizar, contributing to building a better socio-economic environment and a better society, of which we are an integral part of.

We collaborate with nearby training centres and universities. We carry out actions to improve knowledge about coaches for public transportation and emergency service professionals when responding to accidents involving coaches.

We also contribute with activities related with the education, culture and sports and training at universities.

We are also firmly committed with international cooperation. Not only to boost a universal development but also as an avenue to internal growth.

We assume our responsibilities aware that via this commitment we have become active agents for social change. As much as possible, Irizar tries to do its part, step by step, in order to achieve the common objective of universal social development. For this, and shying away from centralising our efforts into a single line of action, we collaborate with different organisations and associations working around the world, nationally and locally. Education, health, poverty, child nutrition, social equality and environmental sustainability are some of our areas of action, with different projects worldwide.

The criteria for selecting and specifying the length of the support according to the scope of each project is determined through the Irizar Social Council, and all personnel are informed through the communication channels that have been established for this purpose.

In 2015 we have promoted the following actions:

Activities related with our sector

Sponsorship of associations in the sector, Asetra, Aetram, Fecalbus, Fenebus and Consorcio de Madrid which we carry out each year for the purpose of promoting and positioning bus and coach as a mode of transportation that is necessary for the future.

Annual tribute to retirees. One more year, retirees attended their annual reunion to receive the tribute that they have been receiving for years now at Irizar. They enjoy a full day in company of their friends and peers and always bring up memories and anecdotes about old times, while they continue to have a bond with the persons and knowledge of the activities that for years have been part of their lives. The 2015 pro-

gramme included a visit to the "i8 coach" at Ormaiztegui's installations, to the Basque Maritime Factory of Albaola, txakoli tasting and a meal at Hondarribia. Each year the number of retired employees increases and currently 160 people have retired from Irizar, of which 114 attended the event we organized for the purpose of maintaining our ties and remind them of the successes achieved by them in the past.

As mentioned in the chapter dedicated to our commitment with customers, the Irizar i2e 100% electric bus was recognized by the sector and awarded the 2015 Bus of the year award in Spain.



Cultural activities

The sponsored target is directly related with our philosophy of CSR. It includes supporting the cultural and traditional activities of the community.

The collaborations and sponsorships we undertake in this section express our commitment with culture in general as a fundamental good for society and a motor for the economy. At the same time we want to promote training, disseminating music and singing, language and the cultural and traditional activities of our community.

For 2015 it is worth mentioning the bus we donated to the **European Transit Project**, within the framework of the European Capital of Culture Donostia/San Sebastian 2016. Europa Transit travels to ten European cities that have been or are currently at war or where there is or has been a conflict. In representation of the Faro de la Paz and with the mission of disseminating the values of mutual empathy and understanding, Europa Transit travels to Ceuta, Belfast, Dresden, Wroclaw, Kaliningrad, Pristina, Sarajevo, Plovdiv, Istanbul and Paphos. The embassy travels by bus with a multimedia newsroom on board. The trip began in January 2016 stopping for one month at each enclave, where the documentary is filmed combining the journalistic account of the conflict with a look at the cultural references of its legacy. The Europa Transit team will also produce a mash-up or pan-European audio-visual composition with the testimonies of the agents at the visited destinations. The object is to obtain a digital mosaic about the European identity that spotlights the multiple conceptual identities of a plural Europe and which may be continued to be completed in coming years.

Sponsorship of the **Irizar Basque Film Award** as part of the International Film Festival of San Sebastian for the third year in a row. A specific panel awards the Irizar Basque Film Award to the best Basque picture presented at a world premier in any section of the Festival. This award expresses our commitment with the film industry, the talent of our producers as well as the positioning of San Sebastian as a cultural and tourist destination and its international expansion.

Also in 2015, Irizar sponsors **"La epopeya industrial vasca /The Basque industrial saga"**, a five episodes series documentary and a film that reviews the industrialization process of the Basque Country between 1843 and 2014, highlighting "the people's desire to better themselves". Since the first modern companies began to replace the foundries, the Basque industry has not stopped growing and changing as described in the series through more than fifty interviews.



In 2015 Irizar began collaborating with **The Basque Maritime Factory of Albaloa**, which main activity is the construction of historic ships in an innovative space where they recover and highlight the artisan maritime technology. The Factory is open to the public and is characterised by its dynamic environment, by the diversity of its activities and its international projection. Irizar joins the initiatives of support to two projects:

- The **reconstruction of the Nao San Juan, sponsoring the rudder and foresail** of the whaler. Manufactured in Basque Country, the whaler San Juan is an example of the first transoceanic cargo ships that sailed from Basque Country to Terranova. A reflection of the global splendour and hegemony of the Basque maritime industry, it sank off the coast of Canada in 1565. Over 400 years later, the Canadian archaeological team of Parcs Canada finds the wreckage and studies it. After more than 30 years of study, it is the best known merchant vessel of the XVI century and has become an icon that symbolizes UNESCO's Subaquatic Cultural Heritage. As part of the Eu-



ropean Cultural Capital of Donostia/San Sebastian 2016 and with the scientific support of the Government of Canada, the nao San Juan is reconstructed at Pasaia.

- Of the **continuity programme of the Ozentziyo, the last wooden tuna fishing vessel of the port of Donostia**, providing it with new contents once this vessel ceased its fishing activity after 30 years of operation. This way one of the emblems of the port is preserved, preventing it from being scrapped and from now it will provide value to the port by being programmed in the cultural activities in collaboration with the different agents at the peer, with social agents and with agents from the city as well as educational agents.

Irizar is actively involved in promoting the use of Euskera (Basque language) with the aim of increasing its use and standardization; we are accomplishing this internally through the Irizar Basque Language Plan as well as socially by sponsoring different organizations and activities, among which the following are worth mentioning:

- **Kontseilua.** The Social Organisation Council for the Euskera language, Kontseilua, reunites 46 associations that act as a platform, which purpose is to promote the collaboration requi

red for standardizing the situation of Euskera in Basque society.

- **Activities carried out for promoting** the standardization of Euskera at a social level such as Kilometroak, Nafarroa Oinez and Korrika.
- **Publications** in local magazines.
- **Friends of Versolarismo association in the annual cultural competition, its magazine, school and youth camps** in support of this popular cultural manifestation and with a long tradition in Basque Country. It is the art of singing in verse in an improvised manner to make a speech that rhymes with an established metre. The word bertso in Euskera translates as a strophe written based on a metre.

Collaboration with the day of **Goierri kantuz**, the **Asociación de Antigua**, in the annual cultural competition, the **Choir of Ormaiztegi** and with the annual **festival of Organo Barroco de Ataun** with the aim of contributing to the dissemination of music in general and its different modalities.

Educational activities

Some of the initiatives we have sponsored in our surrounding community in 2015 are mentioned below. Collaboration with:

- **Sponsorship of the Journey of Life cycle of the summer Courses at UPV (University of the Basque Country).** One more year, Irizar has sponsored the “Journey of Life” cycle for the summer courses at the Universidad del País Vasco A continued learning and open training cycle, as well as a reflection on the world in which we live that is constantly changing, with the aim of contributing as much as possible towards creating a better future.
- **Public educational institutions in the Basque Country,**
- The **Goierri Foundation**, technical, economic and social training and development of the district of Goierri constitutes the Foundation’s social purpose. For this and in line with the needs of society and for attempting to meet them, Cities and Companies have established the Goierri Foundation.
- The **Business Incubator of Goieki** with the primary purpose of supporting and promoting the appearance of new business initiatives

in the district of Goierri. They are working and trying to help a large number of entrepreneurs to carry out their business project, support them and advise them throughout all the phases of their project. To accomplish this they offer different services to all those persons that have a business idea and which are increasingly requesting our help to start up their business projects.

- **IK4-LORTEK** is a private technological centre, member of the IK4 alliance, which acquires and generates an excellent knowledge of materials, processes and joining technologies. All of this is transferred to the industrial fabric for the purpose of maintaining it or improving its competitive position. LORTEK, Joining Technologies Research centre as an autonomous centre in collaboration with Mondragón Unibersitatea, which belongs to the Basque Technology Network. LORTEK works in conjunction with the companies on subjects related with innovation, Improvement, Monitoring and Updating of the most advanced joining techniques.

They also provide help for different initiatives and activities related with culinary matters, contact with nature, etc.

Sports activities

Irizar understands that sports is the perfect avenue for transmitting values such as dedication, motivation and involvement of all for achieving goals. For this reason, 3 types of sponsorships are provided:

- **Kirolgi Foundation.** Since 1999 supporting sports in Guipuzcoa. Non profit organization with the main objective of promoting and developing sports in Guipuzcoa, with special attention to performance sports, especially by obtaining public and private sponsorships.
- **Gipuzkoa-based sports at the maximum level:** in Football (Real Sociedad), basketball (Lagun Aro GBC), and rugby (Ordizia Rugby taldea)
- **Regional teams, events and tournaments** in: track and field, rural Basque sports, cycling and sports activities and championships taking place in Ormaiztegui.



Social type activities

Out of coherence with our philosophy at RSC, we sponsor different entities with a non-profit social and assistance profile:

- **International cooperation in projects with 20 NGOs.** We contribute to education, maintenance tasks, infrastructures and attention to the most underprivileged groups. A list of NGOs we collaborate with was included in our 2013-2014 sustainability report. Based on the needs posed by the NGOs, in some cases the projects we collaborate with are multi-annual.
- **Collaboration with non-profit organizations that operate locally and in the province;** among which we have:
 - 8 large associations with whom we collaborate in specific projects, of which the following are worth mentioning: Cáritas, Food Banks and the Red Cross.
 - 25 provincial associations, mainly associations comprised of patients and their families. Their details are included in the sustainability report for 2013-2014. In 2015 we also sponsored the Gipuzkoa Federation of Adapted Sports as well as associations of patients with rare diseases: Butterfly Skin and Stop San Filipo.
 - 5 associations that provide assistance to the elderly. This list of associa-

tions was also included in our 2013-2014 sustainability report.

The most significant projects we have sponsored with NGOs in 2015 are described below:

Vicente Ferrer Foundation

Project "Improving the mobility and quality of life of persons with physical disabilities" by means of the social integration and employment of persons with disabilities in the state of Andhra Pradesh in India. With our collaboration:

- We have organised awareness workshops targeting women and girls as well as their caregivers and family.
- 153 orthopaedic surgeries have been performed under the supervision and monitoring of Spanish volunteer doctors.
- We have manufactured and supplied the devices and measures to facilitate physical mobility (crutches, wheelchairs, tricycles and prosthetics among others). We have also provided assistance services (casts and physical therapy).

Project for "Building 14 homes in the village of Chikalagaddapalli" in the state of Andhra Pradesh. Our contribution has been key in providing decent housing to 14 Dalits families from underprivileged castes thus removing one of their main risk factors.

Unicef

Project regarding the "Emergency response to acute malnutrition of Central-African Refugees in Cameroon". 10,379 boys and girls ages 0 to 5 suffering from acute malnutrition have benefited from this Project in the regions of East Cameroon and Aldamawa; refugees as well as Cameroon nationals, whose survival depends directly on the availability of treatment and the ability to distribute the food and provide health care at the nearest health centres.

Project for the "Comprehensive care for boys and girls related to armed forces and groups in the Central African Republic". From Unicef we are making a great effort to negotiate with all the parties involved; as a result of this work we have freed many children in recent years. The overall purpose of this multi-annual Project is to ensure the social-economic reintegration of the boys and girls that have been freed by armed groups. The practical effect of this program is to guarantee the provision of a comprehensive support to reintegrate boys and girls that have been freed by armed groups thanks to the strengthening of counterparts, awareness actions and direct support to the boys and girls with a focus on Bangui and its surroundings. In 2015, 270 boys and girls have had access to programmes for reintegration in family and communities, which include a comprehensive support, education and/or training.

Doctors without Borders

Project to provide "Medical-humanitarian care to the most vulnerable population of Batangafo in the Cen-

tral African Republic". Doctors without borders has been providing care in the Central African Republic since 1997. This is one of their long lasting projects as a result of the political instability the country has been suffering for decades. Irizar collaborates in the Project, focussing on providing comprehensive health care for the population that is directly and indirectly affected by violence. Since 2016, Doctors Without Borders manages between 140 and 175 beds at the general hospital of Batangafo and provides support to five health care centres located on the main roads surrounding the city.

Etiopia Utopia

Multi-annual project to "Guarantee the safety of food by conserving the water and soil in the woreda (district) of Kilte-Awlaelo, Tigray in Ethiopia". Of the total rural population of the region, 75% lives below the absolute poverty line. The area where the project is being carried out in one of the most prone to suffering the effects of droughts and consequently, each year about 1.2 million people depend on food aid either through the work for food programme or through the free distribution of food. The purpose of this project is to guarantee food safety by implementing activities along the river's course to conserve the soil and water using masonry retaining walls, building gabions and planting vegetables that are native to the river bank. This project is a comprehensive human rural development that strengthens the economic possibilities of the area and promotes agricultural development.



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