



SUSTAINABILITY REPORT 2016

June 2017

Index

For a sustainable world

Mission, vision and commitments

- Mission
- Vision
- Commitments

Our commitment to customers, passengers and citizens

- Passenger safety
- Coach reliability
- Own-brand technology developed in the Group
- Profitability for our customers
- Irizar Service
- Accessibility for passengers

Our commitment to people

- Commitment to employment
- Communication and participation
- Diversity and equality
- Training
- Work-life balance
- Safety and health

Our commitment to external partners

Commitment to the environment

- Our activity
- Irizar's hybrid coach
- The Irizar Group's 100% electric city bus

Commitment to society

- Activities related with our sector
- Cultural activities
- Educational activities
- Sporting activities
- Social activities



We are committed to a more sustainable world

For the third consecutive year, we are pleased to present our 2016 sustainability report. With this, we are renewing our firm commitment to the ten principles set out by the United Nations Global Compact on Human Rights, Labour Rights, the Environment and the fight against Corruption.

This report reflects Irizar's commitment to sustainable competitiveness (economic, social and environmental) and summarises the main initiatives we are carrying out in this area with customers, passengers, external partners, society and the environment.

On the basis of our Mission, Vision and Commitments, Sustainability is a priority at Irizar. It is worth stressing that we have carried out an in-depth strategic review in 2016. This review involved a high level of participation by Irizar S.Coop employees and made it clear that sustainability is increasingly one of the main aspects to strengthen in the future, thus making our contribution to a better world.

It means understanding the future in terms of the brand, technology and sustainability.

In order to complete our commitment to more sustainable products, in 2016 we have launched our range of class II hybrid coaches, as well as further enhancing our business area dedicated to electromobility and the manufacture of 100% electric buses with the creation of Irizar E-mobility.

These activities have led to strong job creation in the environment. In the last 3 years, we have created 30% more permanent jobs which have seen the parent company grow to 800 people, a third of whom are highly qualified graduates in order to increase our technological and R&D capability.

In the future, we will continue with our programmes to attract talent to a group where electromobility will play an increasingly important role.

Our mottos of "For a better life" and "For the well-being of citizens" show that we are ready to lead the transformation of transport systems in cities and to improve the quality of life of their citizens by improving environmental and noise pollution in their immediate environment.

Your sincerely,



José Manuel Orcasitas Landa
Irizar Group CEO

“

On the basis of our Mission, Vision and Commitments,

SUSTAINABILITY is a priority at Irizar”



Mission, Vision and Commitments

These are the result of our review of Strategic Thinking in late 2016:

Mission

Our mission is to continuously strengthen our business Project and our **brand** to grow and create wealth and employment in our environments.

It is key to achieve a high degree of customer satisfaction by establishing a close relationship with them and offering them the guarantee of a sound Project in which they can trust.

The flexibility to adapt to the needs of our customers by providing them with the products and services they need is a strategic factor that sets us apart from our competitors and enables us to earn their fidelity.

In addition, we strive to maximise satisfaction among the Irizar Group's people, our external partners and society as a whole.

We work and will continue working in Irizar S. Coop's cooperative framework and in a framework of communication and participation in the management and the results of the other group companies.



Vision

Our vision is to provide buses and coaches with a marked difference in safety, reliability, comfort and profitability for our customers, passengers and society and being a best in class in service, quality, design, innovation, technology and sustainability.

In the rest of the Group's activities, we also strive to be a reference in the contribution of value to customers.



Commitment

We work hard every day to reach a position of leadership that benefits our customers. We work as a team and have people who are committed to the customer and the Group's strategy. We promote efficiency, communication, participation, self-management and management excellence. We create environments where everybody involved in our Projects can give their best, according to their talent, abilities and dreams. This is key to our future success.



Our commitment to CUSTOMERS, PASSENGERS and CITIZENS

Irizar's main strategy is to "Earn the fidelity 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 **Irizar i8** coach and the **100% electric i2e** bus have been recognised **2016 Spanish Coach of the Year and Environmentally Friendly Industrial Vehicle of the Year**. These awards, established by the road transport sector magazines Transporte 3 and Viajeros, are recognised as the nation's most important awards in the bus and coach category. You can find more information on our electric bus in the chapter on the environment.

In 2016, Irizar launched the **new Irizar i6s**, a high-tech coach that replaces the Irizar pb and is developed with the innovative spirit that is the hallmark of the brand. Also in 2016, we rounded off our range of Irizar-brand integral coaches with combustion engines by introducing vehicles with **hybrid** engines, thus responding to the more environmentally-friendly demands of our customers.

Irizar therefore offers a wide range of Irizar coaches and buses and technological solutions ranging from integral coaches and 100% electric buses, to hybrid technology in Class II vehicles for urban and intercity services. This range enables Irizar to cover all sectors of public passenger transport, from occasional services to regular public commuter services, encompassing urban, intercity and long distance routes, whilst being a leader in the sustainable mobility sector.

All this is a result of its firm commitment to its customers and society, to whom its products and services provide high added value whilst not forgetting fundamental elements like design, customisation and sustainability.



Passenger SAFETY

Avoiding problems on the road is a requirement for every Irizar vehicle. All Irizar brand models comply with the R.66.02 safety regulations and have the most modern active safety systems to ensure stability and minimise risk in unforeseen circumstances.

Electronic stability control (ESC), advanced emergency braking system (AEBS), adaptive cruise control (ACC) and lane departure warning system (LDW) are just some of the modern active safety systems.

In the most extreme situations where it is not possible to predict the behaviour of other drivers, it is reassuring to know that the structure of Irizar coaches has been designed to withstand rollovers and head-on collisions by optimising weight distribution. The spacious and ergonomic driver's position with accessible controls, electronics integrated into a single central console (MMI) and high visibility rear-view mirrors further underlines our commitment to passenger safety.



Coach RELIABILITY

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

To ensure maximum reliability, all coaches in the Irizar family are subjected to rigorous durability tests at prestigious independent institutes, such as IDIADA and Applus+, with excellent results.

OWN-BRAND TECHNOLOGY developed in the Group

The technologies created by Irizar are aimed at overcoming challenges posed by traffic conditions and the terrain and nature of modern roads. They are also aimed at providing a state of well-being and safety which is related to the pleasure or enjoyment of the trip.

Amongst the former, it is worth highlighting the interior and exterior full-LED lighting, the multiplexed architecture and CAN communication protocol that connects all the coach electronics, enables diagnosis and data collection using the OBD connector, and provides the operator with intelligent systems.

It is also worth noting the driver assistance systems (AEB-LDW), integrated via the touchscreen control and HMI console, from where the driver can manage the entertainment and comfort systems..

The technologies relating to passenger satisfaction include individual touch switches on the diffuser fixture. As a new feature, air intake systems have been placed in the roof and under the coach that increase the performance of the climate control and anti-misting systems, respectively.





PROFITABILITY for our customers

At Irizar, we are aware that fuel is the greatest cost that operators face and we have therefore made every effort to reduce consumption. The new generation of DAF Euro VI engines with reduced internal friction, modified fuel injection system and other solutions, reduces consumption significantly.

The software of the automated gearboxes, the aerodynamics of the coaches with lower friction coefficients, the dashboard with smaller air intakes, the spare wheel cowl, lower weight, due to the use of high-tensile steel and alloy wheels, all actively contribute to making Irizar coaches leaders in their segment in terms of fuel consumption.

In terms of maintenance and repair costs, service intervals have been extended, and our coaches can be driven for up to 100,000 kilometres without an oil change. We have also made great strides in reducing the cost of serviceable parts and coachwork.

We are able to equip our coaches with the most advanced technology to enable exhaustive monitoring and control of costs and efficiency, which helps transport companies to optimise the performance and profitability of each fleet.

And of course, the service network continues to expand and offers an Irizar authorised workshop within range of every operator. Our priorities include ensuring that Irizar coaches maintain a high residual value, so that our clients receive an attractive return on investment, and minimising CO2 emissions. Deciding to buy an Irizar coach is, without doubt, the best choice.



Irizar SERVICE

The close and personalized attention to the customer constitutes a reference and differentiating value in Irizar. It begins the moment you start making decisions about specifications and configuring your coach to suit your needs.

Irizar service offers you customised solutions, designed and created to offer you the best: Its broad offering includes Finance, Repair & Maintenance contracts and collection of your used vehicle.

The availability of a fully guaranteed comprehensive repair, tune-up and maintenance service 24 hours a day, 365 days a year remains a feature that sets us apart.



ACCESSIBILITY for passengers

Roominess and passenger accessibility have become key features, which is why, in recent years, we have been pursuing innovation in these areas in order to maximise comfort and accessibility for passengers.

We offer a wide range of solutions for PRM (persons with reduced mobility) and wheelchair anchor points, enabling them to access the coach through the same doors as the rest of passengers, thus avoiding any type of discrimination.

Among many other options, it is also worth mentioning the development of reading systems for the blind on coaches.



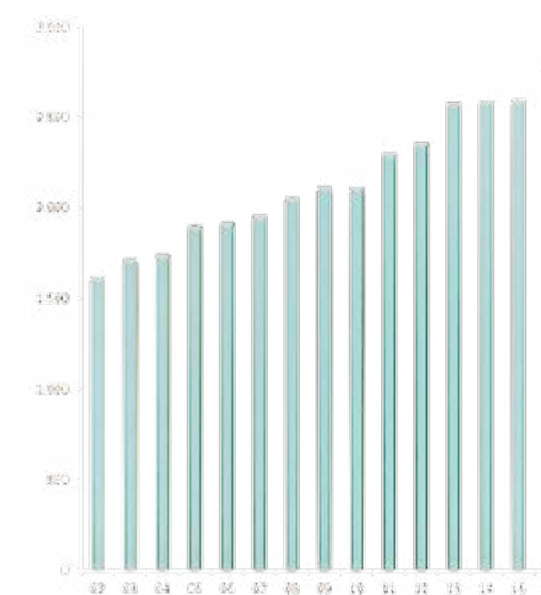
Our commitment to PEOPLE

The people strategy mentions: **"People who are committed to the project, its mission and its vision,** in order to achieve the proposed challenges. Employee **satisfaction and motivation** is important. It encourages , **communication, leadership** and **self-management** of teams, to the maximum extent possible, supplemented by a suitable organisation to take care of any issues that are beyond their capabilities."

Commitment to EMPLOYMENT

Our mission is to create jobs in the countries where the Irizar Group is present. We understand that this is the best social contribution we can make. In line with this aim, and as shown in the graph, we are continuously creating more jobs, and even managed to maintain employment levels at the height of the crisis.

Job creation (Irizar Group)



A total of 160 employees have been hired in 2016. Of these new hires, 105 have been through higher-level vocational training and the remaining 55 are high-level graduates hired, above all, to increase our technological capability and ability to carry out our R&D projects.

Average age

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



Job creation (Irizar S. Coop.)

Year	No. of employees
2013	702
2014	765
2015	786
2016	778

Year	Age
2013	40,10
2014	40,44
2015	39
2016	39

Employee turnover

Turnover ratios at Irizar are very low and are below the average of the countries in which we are present. This is undoubtedly further proof of the satisfaction and the motivation of our people..

We prioritise the quality of recruitment and can proudly state that the vast majority (over 95%) of new employees are hired on a permanent basis. The by-laws governing admission as a permanent partner include compliance with the established requirements for a 3-year period, after which time the employee becomes a partner of determined duration. The employee will retain this status for a maximum of 4 years, at which point they will become a permanent partner, after having successfully passed the applicable regular assessments.

Quality of contracts

The trend shown in the tables corresponds to an increase in the workforce from 2013 to 2016 and retirements.

Irizar people also enjoy important advantages and promotions in areas related with banking, communications, insurance, travel, fuel, spending, etc., which are promoted and negotiated through the Social Council.

Irizar also has the Irizar Trainee Programme (ITP), a training and development programme designed to incorporate professionals in technical areas as well as in the fields of production or marketing. These trainees develop professionally with us before being permanently hired by the company. This programme is designed for mechanical, electrical and organisational industrial engineers with no experience or with less than one year of experience and with a high level of qualifications.

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

Along these lines, we also collaborate with local engineering schools such as Formula Student. Formula Student is an annual worldwide competition to promote excellence between a wide range of teams who work throughout the year to design and build a single seat race car. We are promoting the design of an electric car that will enable students to put their knowledge into practice by simulating a real situation in which the team has to work as if they were part of a company.

In collaboration with vocational training schools, we offer around 12 higher-level vocational training students the possibility of completing their professional internships with us.

Permanent contracts with respect to total workforce	
Year	Members
2013	95%
2014	93%
2015	83%
2016	82%

Employees who are waiting to become partners	
Year	
2013	5%
2014	7%
2015	17%
2016	18%



COMMUNICATION and PARTICIPATION

We believe that internal communication is the way to transmit the corporate culture and to create employee integration, satisfaction, motivation and involvement, so that our people is increasingly committed to participate in the actions and decisions that affect them.

Internal communication channels have been analysed in 2016 and the resulting improvements have been implemented. In addition to the usual internal communication forums, in 2016 it is important to add the process of strategic reflection carried out by people who represent all of Irizar's work teams, both at the direct and indirect level.

The process of this periodic analysis includes different working meetings in which, in a first phase, participants from the Management Team, the Social Council and direct and indirect staff participate and whose script covers external aspects of debate that influence Irizar's business, such as the macroeconomic situation, analysis of the sector, the market and competitors.

Beyond the ideas of this first analysis, a series of reflections are carried out about Irizar's internal situation as well as the SWOT (Strengths, Weaknesses, Opportunities and Threats) in order to arrive at general conclusions which, in turn, are transferred to all people of Irizar, who have the opportunity to participate in the process by gathering suggestions and proposals which will subsequently result in actions to improve Irizar's competitive position





DIVERSITY and EQUALITY

We want to protect equal opportunities, non-discrimination and respect for diversity, as reflected in our politics of new incorporations..

Our by-laws state 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 cooperative principles and organisation and to the goals, commitments, values and principles of Irizar, S. Coop".

In terms of gender equality, it is important to stress that all people hired by Irizar enjoy the same conditions, including salaries, provided they occupy roles of equal responsibility.

All our facilities are equipped in order to accommodate the accessibility of people with disabilities. In this sense, we are governed by a philosophy that includes working with companies or partners who hire people with disabilities and who we integrate into Irizar's production process.

TRAINING

Due to the increasing complexity of our activities - both commercial and design and development - as well those related to the delivery of products and services, we carry out rigorous multidisciplinary and polyvalence training plans.

This increased knowledge is necessary to improve the quality of our products and services, as well as our efficiency.

It is also worth highlighting the continuous flow of employees between the Irizar Group's production plants and companies in order to support, encourage and take advantage of the synergies in the activities and actions that are carried out within the proposed strategic and work lines, with the aim of increasing their knowledge and capabilities, thus guaranteeing the future success of the company.

Training Hours dedicated to training / No. of employees

	Hours	Employees
2013	5779	210
2014	6551	264
2015	4701	166
2016	4546	222

WORK-LIFE BALANCE

We support reducing working hours or flexible working hours in order to achieve a work-life balance. 100% of requests for reduced working hours (3, 4, 5 or 6 hours) are accepted by the Governing Council.

SAFETY and HEALTH

We have a system that prevents occupational risks by prioritising safety over other aspects and dedicating the necessary resources. We analyse 100% of accidents and incidents. 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 may have serious consequences, as reflected in the indicators.

As a result of this, in 2016 we have continued to reduce both the frequency rate (number of accidents divided by hours worked), the incidence rate (number of accidents divided by number of employees) and the number of lost time accidents. We intend to continue making progress in the future thanks to the clear involvement of all Irizar employees.

In addition to all the security and health activities that are carried out on a regular basis, and that were already addressed in detail in the 2015 report, it is worth highlighting the following measures taken in 2016:

- Investments in the finishing area aimed at thermal comfort by installing evaporative coolers.
- Design and manufacture of an automatic sander for box sanding work in the painting zone.
- Adaptation of the lift regulation system in the framework zone with the aim of improving safety.

Frequency rate

Year	
2013	69,4
2014	61,3
2015	54,99
2016	51,07

Accidents at work with lost time

Year		
2013	702 employees	79 lost time accidents
2014	754 employees	70 lost time accidents
2015	786 employees	70 lost time accidents
2016	778 employees	67 lost time accidents

Incidence rate

Year	
2013	112,4
2014	96,88
2015	90,82
2016	75,47

Our commitment to EXTERNAL PARTNERS

“Our suppliers and the rest of our external partners are able to offer products and services that help us to improve our brand and our competitive position”

With the main suppliers, we have established what we call “logistical management by coach”. These suppliers are integrated in such a way that they can consult the Irizar management system (ERP) 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 associated items by coach.

Hiring of disabled people

Through our supplier Katea, 57 disabled people have worked for Irizar S. Coop. in 2016, which equates to 7.3% of our workforce.

In addition to the strategic alliances we maintain with our partners in Irizar Group subsidiaries companies, we have agreements with dealers who facilitate customer-driven distribution and service in specific markets throughout the world.

As far as the incorporation of knowledge and technology to the Group is concerned, we will continue to collaborate on our projects with technological centres who complement our knowledge: CEIT, CIDETEC, TECNALIA; etc.

Indirect hiring of disabled people	
Year	
2013	3,8%
2014	4%
2015	8,6%
2016	7,3%



Our commitment to the ENVIRONMENT

Our commitment to the environment is reflected in our activity as well as in our environmentally-friendly buses and coaches. Our environmental flagship is the 100% electric Irizar i2e city bus, but in 2016 we must also highlight the launch of the Irizar i3 and i4 hybrid coaches.

The jury of the Spanish Section of the European Environmental Awards, coordinated by the Ministry of Agriculture, Food and Environment, via the Biodiversity Foundation, awarded Irizar the **National Business Award for the Environment for 2016**, in the product-service category.

Our ACTIVITY

Our commitment to the environment dates back to 1998 when Irizar became the first European coach manufacturer to obtain ISO14001 certification.

The most significant principles of Irizar’s environmental policy are the progressive reduction of CO2 emissions and contaminating substances, as well as the introduction of environmental criteria in the design of its products, encouraging a spirit of respect towards the environment among its people and partners.

The electromobility line of business is the clearest expression of the Group’s care for the environment and for the well-being of citizens.

We are making progress in energy efficiency, in optimising waste management and in reducing the environmental impact caused by our activity and our products.

Environmental indicators

Consumption of Natural Resources:

Consumption of Resources			
Year	Water (m3/coach produced)	Electrical energy (kWh/coach produced)	Natural Gas (kWh/coach produced)
2013	9,29	6292,81	9090,48
2014	9,72	5655,24	7914,71
2015	10,67	5240,75	8201,92
2016	8,98	4832,85	8184,06

Water: There has been a significant reduction due to different actions taken both in the process of replacing equipment and in the responsible use of water by people.

Electrical energy / Natural Gas: As you can see, the consumption of electrical energy and natural gas has decreased in 2016 with respect to the previous year. This result is due to the company’s ability to stabilise gas and energy consumption despite the increase in production, thanks to the energy efficiency improvements adopted in 2016, some of which resulted from the energy efficiency audit that was carried out. This development is deemed to be very positive, as it reaffirms the effectiveness of the adopted measures.

Consumption of Chemical Products:

Consumption of Resources		
Year	Paint consumption/m2 surface treated (kgr/m2)	Solvent consumption/m2 surface treated (kgr/m2)
2013	0,404	0,231
2014	0,347	0,196
2015	0,493	0,163
2016	0,450	0,163

Paint: Paint consumption decreased by 8.68% in 2016 with respect to consumption in 2015. Consistently and similarly to solvent consumption, there has been a decrease in paint consumption that is mainly due to the implementation of the paint management plan, for example by using paints with a lower solvent content.

Solvents: This year’s emissions are similar to those of the previous year, which are the lowest emissions of VOCs per m2 of surface since Irizar began to draw up the Solvent Management Plan in 2007. The emissions recorded in 2015 and 2016 are 43.42% lower than those recorded in 2007.

Hazardous Waste

Hazardous Waste		
Year	HW generation/coach produced (kg/coach produced)	
2013	241,40	
2014	234,68	
2015	286,37	
2016	285,30	



In 2016, the ratio of hazardous waste generated per coach, which went from 286.37 kg in 2015, to a ratio of 285.30 kg of hazardous waste/coach in 2016, remained roughly the same.

Non-hazardous Waste

Non-hazardous Waste		
Year	Total (kg/coach produced)	
2013	1191,07	
2014	1184,57	
2015	1236,19	
2016	1211,22	

In 2016, there has been a decrease in the ratio of non-hazardous waste generated per coach, which went from 1,236.2 kg in 2015 to 1,211.22 kg in 2016, representing a decrease of 2.02% in the generation of this type of waste.

This decrease is mainly associated with the 2016 environmental management plan, which has continued with the objective of improving the segregation of hazardous and non-hazardous waste which is generated and collected directly at the plant. This includes the most common waste, Inert Waste Type II, which has seen a decrease of 0.3% compared to 2015.

Irizar’s HYBRID coach

Irizar has developed this range of products to provide a sustainable and eco-efficient response to current and future transport needs in major cities and their surrounding areas. This innovative effort has resulted in the launch in 2016 of the first commuter vehicle using class II hybrid technology for urban and intercity services. This vehicle has been launched in low entry and high floor with luggage compartment versions.

Irizar has become the **first European company to launch a class II hybrid coach.**

The hybridisation technology developed by Irizar is parallel hybrid technology. It combines a diesel or HVO (biodiesel) propulsion engine with an electric motor that, depending on the requirements, can power the vehicle at the same time or separately, achieving optimum efficiency and performance.

With a reduction in CO2 emissions of around 157gr/km compared to conventional buses and coaches with combustion engines, it prevents the emission of approximately 2.5 tonnes of CO2 during its entire service life (estimated at 100,000km/year for 15 years).

It also enables the use of latest generation plant-derived biodiesel (HVO) that eliminates sulphide emissions.

In addition to environmental improvements, our hybrid coaches reduce fuel consumption by 20%, which allows our customers to save 6000 l/year of diesel. This also impacts on CO2 emissions, which are reduced by around 170,000 gr/year.





The Irizar Group's 100% ELECTRIC city bus

In order to strengthen Irizar's commitment to electromobility, in 2016 we created the company Irizar e-mobility, whose business is based on providing comprehensive electromobility solutions for cities, both in terms of manufacturing 100% electric buses, and in terms of manufacturing and installing the major infrastructure systems necessary for charging, traction and energy storage, all with the application of the Group's 100% technology and with Irizar's warranty and service quality.

The Irizar i2e bus is totally safe, reliable, cost-effective and offers infinite possibilities for adaptation by operators. It also comes with a full service and maintenance guarantee for all the service life of the vehicle.

Developed and manufactured entirely with own-brand technology and a life cycle approach, the Irizar i2e is the result of the Group's strategic commitment to innovation. 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.

Together with Solaris, VDL and Volvo, Irizar is part of the group of European manufacturers that have agreed an open charging interface in 2016, to ensure the interoperability of electric buses using a charging infrastructure provided by ABB, Heliox and Siemens, thus establishing a common European standard for electric bus systems.

The Irizar family of electric buses has grown in 2016 with the 18m articulated Irizar i2e. The Group's first BRT (Bus Rapid Transit) began durability testing before mass production started in 2016. It is set to go on sale in 2017.



0% direct emissions in the urban environment. 86% reduction in the carbon footprint compared to a conventional diesel bus. **Very low carbon footprint of 8.45 g CO2 eq / km.p.** (per kilometre travel)



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



Materials and equipment recoverability and recyclability rate of over 90%.



Emissions and pollutants

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



Energy

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



Raw materials and waste

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



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.

Other benefits:

- It is the first electric bus that complies with the most stringent passive and active safety requirements, as it is the first and only electric bus on the market that complies with the R.66 rollover safety regulations.
- It has gained R107 homologation 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.

If you wish to find out more about our electric bus, please refer to our 2015 Sustainability Report, which included an excerpt from the environmental excellence case study produced by Ilobe (the Basque Government's public environmental management company) on Irizar's electric bus.

Our commitment to SOCIETY

“ Our relationship with society will be **respectful, open** and **participatory** helping to **create wealth and employment**, collaborating with the **culture, education and sport** in our immediate, environment, as well as, carrying out social work in our immediate surroundings and in the world’s most disadvantaged areas. ”

In line with this commitment to Society, and as we saw in the chapter dedicated to commitment to people, employment levels at Irizar S. Coop. remained stable in 2016 while employment levels increased in the Irizar Group..

Aportamos anualmente más de 1,5 millones de euros al apoyo de nuestro entorno social. Destinamos un gran esfuerzo tanto económico como de dedicación de nuestras personas para contribuir a la mejora socioeconómica del entorno y de la sociedad en la que estamos integrados.

We collaborate with nearby training centres and universities. We collaborate in activities related to our sector. We also contribute to activities related to education, culture, sport and training in universities. Furthermore, we are firmly committed to international cooperation, not only to boost global development but also as an avenue for internal growth.

The criteria for selecting and specifying the duration of support according to the scope of each project are determined through the Irizar Social Council, and all employees are informed through the communication channels established for this purpose.

In 2016, we have promoted the following actions:

Activities related with our sector

We carry out actions aimed at improving the coach-related knowledge of public service and emergency service professionals when responding to accidents involving coaches.

Each year we sponsor associations of the sector, such as Asetra, Aetram, Fecalbus, Fenebus and Consorcio de Madrid, with a view to promoting and positioning bus and coach transport as a necessary mode of transport in the future.

Annual tribute to retirees. One again this year, retirees attended their annual appointment with Irizar’s homage paid to them, Irizar has been paying tribute to them for years. They enjoy a full day with their friends and colleagues and always bring up memories and anecdotes about old times, while still maintaining a bond with people and business knowledge that have been part of their lives for years.



Cultural activities



We support cultural and traditional activities in our nearest environment.

In addition to our annual sponsorship of the **Irizar Basque Film Award** at the San Sebastian International Film Festival, in 2016 we have also sponsored the shooting of two films: "Together" and "Dantza".

For the second consecutive year, Irizar is collaborating with **The Basque Maritime Factory of Albaloa**, which is mainly involved in the construction of historic ships in an innovative space where nautical craftsmanship and technology is rediscovered and showcased. The Factory is open to the public and is characterised by its dynamism, by the diversity of its activities and its international projection.

Irizar is actively involved in promoting the use of **Euskera (Basque language)**, with the aim of increasing its use and standardisation; we are accomplishing this internally through the Irizar Basque Language Plan, as well as externally, by sponsoring different organisations and activities, including: Kontseilua, Kilometroak, Nafarroa Oinez, Korrika, Ibilaldia, Araba euskaraz, association of friends of Versolarismo, etc.

With a view to contributing to the dissemination of Music in its different forms, Irizar collaborates with: Goierri kantuz, competition of the Association of Antigua, Ormaiztegi choir, Ataun Baroque Organ Festival, etc.

Educational activities



Irizar collaborates in various ways within the field of education:

It actively engages in activities with the aim of **sharing its experience** with society and raising concerns that may be reflected in the progress of other organisations. It organises open days that can be attended by people from companies, institutions, public agencies, universities, colleges and any other type of organisations, both for-profit and non-profit.

Once again this year, Irizar has sponsored the **"The Journey of Life"** series of summer courses at the University of the Basque Country. An open training and lifelong learning course, as well as a reflection on the constantly changing world in which we live, with the aim of contributing, as much as possible, towards creating a better and more desirable future.

Irizar collaborates with **educational centers** in the Basque Country.

Along with town councils and other companies, Irizar is a member of the **Goierri Foundation**, whose social purpose is the technical, economic and social training and development of the Goierriarra region, which is home to the village of Ormaiztegi.

Irizar participates in the **Goieki Business Incubator**, whose main objective is to support and promote the emergence of new business initiatives in the Goierri region. To this end, it works to assist a large number of entrepreneurs to carry out their business Projects, supporting and advising them throughout all phases of their Project.



Sports activities



Sport is a good way to convey values such as: dedication, motivation, effort and teamwork. That is why Irizar maintains several annual sponsorships:

Kirolgi Foundation. Non-profit organisation whose main objective is to promote and develop sports in Gipuzkoa, with a special focus on performance sports, especially by attracting public and private sponsorship.

Top-level sport in Gipuzkoa: in Football (Real Sociedad), basketball (Lagun Aro GBC), and rugby (Ordizia Rugby taldea)



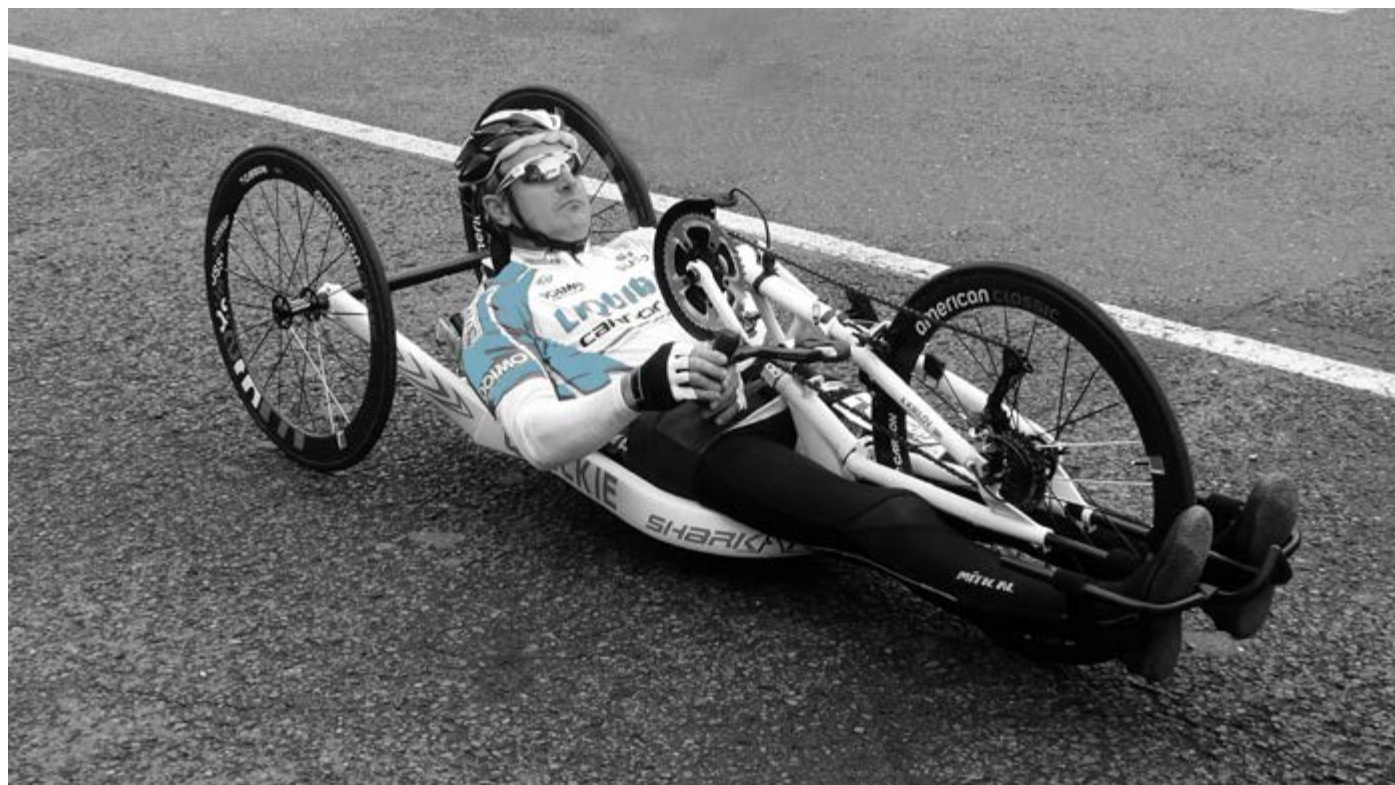
Regional teams, events and tournaments in: athletics, Basque rural sports, mountain sports, cycling, as well as, sporting activities and championships held in the immediate surroundings of Ormaiztegi.

Furthermore, in 2016 we have collaborated with the following entities:

Xistera – Association of Basque Jai Alai Clubs, whose mission is to revive jai alai, i.e., to return this sport, that has fallen on hard times, to a position of health.

Gipuzkoa **Adaptive Sports Federation**. Through the “Comprehensive project of adapted and inclusive physical activity aimed at children and young people with physical disabilities in Urola Garaia and Goierri regions”. This project, that began in 2015 with a focus on people from Urola Garaia was extended to the Goierri region in 2016. It works to:

- Encourage the participation of all children and young people who are keen to participate in school and youth sports.
- Promote the social inclusion of children and young people with physical disabilities.
- Promote positive experiences in sport, taking into account healthy, formative and motivating aspects.
- Encourage health and play that contributes to fostering social relationships as a tool to work on common goals.
- Encourage knowledge of other activities and other indoor and outdoor sports that they have not had the chance to discover (equine therapy, etc.).
- Improvement in functional, motor, cognitive, social and emotional abilities.



Social activities

In line with our strategy with Society, we sponsor different non-profit social and charitable entities:

- International cooperation through projects with NGOs. We contribute to education, maintenance tasks, infrastructures and care for the most underprivileged groups. Depending on the needs of the NGOs, some of the projects we collaborate on are multi-year.
- Collaboration with non-profit associations working locally and regionally, including:
 - Large associations that we collaborate with on specific projects, including: Cáritas, Food Banks and the Red Cross.
 - Provincial associations, mainly patient and family associations, including rare disease associations: Butterfly Skin and Stop Sanfilippo.
 - Associations that care for the elderly.

In addition to continuing with several multi-year projects already discussed in previous reports, you can find details below on the main projects we have collaborated on with NGOs in 2016:

Vicente Ferrer Foundation

Project to “Promote the Socioeconomic Development of 21 Farming and Livestock Families in the District of Anantapur in the State of Andhra Pradesh (India)”, with a view to reducing the poverty levels of the most vulnerable agricultural communities. Once the objective of increasing the availability of water has been achieved, systems have been installed for the efficient use of irrigation water. Seeds have also been supplied in order to introduce horticultural diversification to their farmland. In order to ensure its continuity and sustainability, the project also included training and education for both men and women in the use and maintenance of irrigation systems and on the importance of environmental conservation and water resources which are so scarce in the region. The women in these families have also received a dairy cow in order to feed their children and increase their income by selling milk. The families have also been given sessions to learn the skills necessary to rear the animal and to sell milk on a daily basis.



Médecins Sans Frontières



Project: "Al Shalama Hospital in Syria", located between the Turkish border and Aleppo. The direct management of this hospital enables MSF to provide high-quality, free medical care to people who have fled the city and are now trapped in the area because of the war. The hospital attends to patients in outpatient clinics, maternity and surgery, as well as, children vaccinations.



Project: "Nutrition Emergency in northeastern Nigeria". Hundreds of thousands of Nigerians in northern Nigeria are living in a dire situation. Many have been forced to leave their home because of the conflict between the Boko Haram militias and the Nigerian army, or have been trapped by the conflict with no prospect of escaping. The lack of food and access to basic services is drastically reducing their health and many of them are unable to survive. Irizar's collaboration is aimed at treating children with severe malnutrition in an outpatient programme. The treatment is based on therapeutic foods administered for 4 to 5 weeks.

Unicef



Project: "Emergency in Haiti". In 2016, Hurricane Matthew left a trail of destruction in Haiti. Unicef is working to protect the rights of all children who are unfortunately affected by the hurricane. The actions it has carried out include: facilitating access to drinking water, refurbishing schools and equipping them with tables and blackboards, giving iron and folic acid supplements to pregnant or breastfeeding women, providing powdered micronutrients to children, establishing Child Friendly Spaces to provide psychosocial support and carrying out recreational activities with children.



Irizar S. Coop.
Zumarraga bidea, 8
20216 Ormaiztegui (Gipuzkoa) | Spain
T +34 943 80 91 00 | F +34 943 88 91 01
irizar@irizar.com | www.irizar.com