

SUSTAINABILITY REPORT

2013 - 2014

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BUILDING A BETTER WORLD

This sustainability report provides a list of Irizar's commitment with sustainable development and summarizes the main initiatives we have been carrying out with persons, customers, external collaborators, society and the environment.

For the first time we have devised and include indicators and noteworthy activities to provide information about our progress in the areas of responsibility and coherence with our philosophy, by which we stand firm.

We believe that the definition of Corporate Social Responsibility is thinking about the future to build a better world. 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.

Our relationship with society is based on respect, is open and participative while collaborating with culture, sports and education in our immediate area as well as on solidarity actions.

We are immersed in making progress in energy efficiency, in optimizing the treatment of waste in all of

our companies and in reducing the environmental impact caused by our activity and products and in contributing to improve the health and quality of life of our citizens. We work hard to look after the personnel that comprise Irizar, in promoting their training, developing their professional lives, helping to better balance professional and family life and promoting communication, participation, self-management and teamwork.

We continue to prioritize and dedicate the necessary resources in an occupational Safety and Health system that is integrated in the daily managing of our activity, prioritizing safety and health over other aspects. We work hard every day to satisfy our customers and earn their loyalty by building close relationships and offering them the best products and services. Our transparent business ethics defines us.

All of our achievements are based on our efforts, made financially as well as the dedication of the persons that comprise Irizar, which contributes to building a better socio-economic environment and a better society, of which we are an integral part of.

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.



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 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 is based on values such as:

- 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.



OUR COMMITMENT

Towards customers and passengers

The main strategy of Irizar is to “[Earn the loyalty of our customers](#)” based on four large pillars that sustain our Group philosophy throughout our history: [safety](#), [reliability](#), [profitability](#) and [service](#). 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, profitable and reliable for our customers and for passengers.

Passenger safety is our priority

Active and passive safety is 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.

Irizar has taken one step further in technological innovation, contributing more concepts in safety aspects by introducing their own comprehensive coach brand with the strategic objective of increasing the current offer of coaches (chassis plus body) for customers; supplementing and offering a complete Irizar coach to the markets that demand them. With this innovative technology, Irizar offers an alternative that would supplement the current offer of coaches built over the chassis brands that are currently available on the market.

In 2013, Magic Eye was launched on the market, which 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 using radar and artificial vision technology, thereby contributing to a more reliable and safe driving.

This system includes:

DFW: Driver fatigue warning
LDW: Lane Departure Warning
FCW: Forward Collision Warning
SDW - Signs Detection Warning

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

To guarantee the maximum reliability, all the coaches of the Irizar product range are subjected to stringent durability tests at the manufacturing level as well as the products themselves at independent institutes and engineering firms of recognized prestige.

In an accelerated fatigue track we simulate the accumulation of kilometres equivalent to the entire service life of the vehicle as far as structural components are concerned as well as elements of the coach. 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 the maximum profitability for our customers based on lowering the fuel consumption we achieve by designing coaches with an optimum aerodynamic and weight distribution, the reduction of maintenance costs and the 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.

Sales and after-sales service

Customer service is a benchmark and differentiating value at Irizar. It is based on a personalized service and on a close and trustful relationship that begins at the moment in which the customer defines and configures its coach in accordance with their needs, along with a team comprised of personnel that will accompany them throughout the entire service life of the vehicle.

Since 2014 we have a modern and innovative space for design that includes all the upholstery and fini-

shing options in both physical and virtual versions for offering exclusive personalized designs and suggestions as far as the equipment as well as extensive information about the world of Irizar. This way we are able to help make the best decisions when it comes to personalizing coaches.

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

Our customers will enjoy a wide range of services which include a comprehensive 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 logistics 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 vehicle 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

Irizar coaches offer the maximum capacity of adaptation allowing the client to configure the coach and other equipment options to fit its needs and as desired. 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 2600 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 focuses on promoting the professional capabilities of each employee based on the belief that each person and their talent are 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.

“The satisfaction and motivation of personnel is our maximum priority and to achieve this, we must have a suitable working environment that promotes leadership and self-management of the teams to the maximum possible degree and supplemented by a suitable organization to take care of any issues that are beyond their capabilities.”



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 affect them.

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:

Three 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

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.

We are convinced that the result of all of this is that the quality of our products and services is improved as well as most of our productivity while it allows us to grow both professionally as well as personally in our family life.

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.

TV screens

Installed in all rest areas, these TV screens are used for supplementing and offering a wider coverage of general information about the news of the sector, economic news, photographs, videos about Irizar and its personnel, summary reports about financial aid provided for cultural events, sports, NGOs and visits from clients, institutions or the media.

Information centres and electronic panels

Communications centres and electronic panels have been implemented at access and general visibility points of the installation where to post issues about quality, internal communications, plant image, safety and health and the environment.

Irinet

Irizar's Intranet as a tool for compiling and centralizing all the information posted at Irizar. Also provides services that go beyond the daily management, including cultural activities or dictionaries.

Internal magazine - Irizar Berriak

The Irizar magazine is introduced as an efficient tool that is not only directed at personnel working at Irizar, but also to the families and retired personnel for the purpose of creating a vehicle for informing about aspects that are purely related with the external communication with clients and issues of interest for the general public. The magazine is published semi-annually or annually in bilingual format.





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 job creation

The philosophy of Irizar Group is based on an unequivocal investment in growth and generation of wealth with 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.

We value quality job contracts and are able to affirm in this sense that most (over 95%) of the people hired 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 three year period, after which time the membership switches to a specific duration. The member will remain in this status for a four year period, after which the status will be of an undetermined duration, after having successfully passed the applicable periodic evaluations.

Diversity and equal opportunity

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.

In 2013 we 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.

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 (UPV, MU, Tecnum...) 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.

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, 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.

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. A clear example are

the establishing of companies Hispacold and Masats throughout the world, with plants or distributors as well as those developed by Jema in Brazil, Mexico and the USA, which have been implemented taking advantage of the synergies that are generated by Irizar's experience and the possibilities generated by their presence in these markets.

Also worth highlighting is the flow of personnel that come from the rest of plants in the Group, to provide specific support when required as well as for continuous training in those aspects or innovations and solutions that are incorporated for the product and service, management, image, sustainability or im-

plementation of technology. This allows us to have an organization that is agile, and which pushes us to always remain a step ahead.

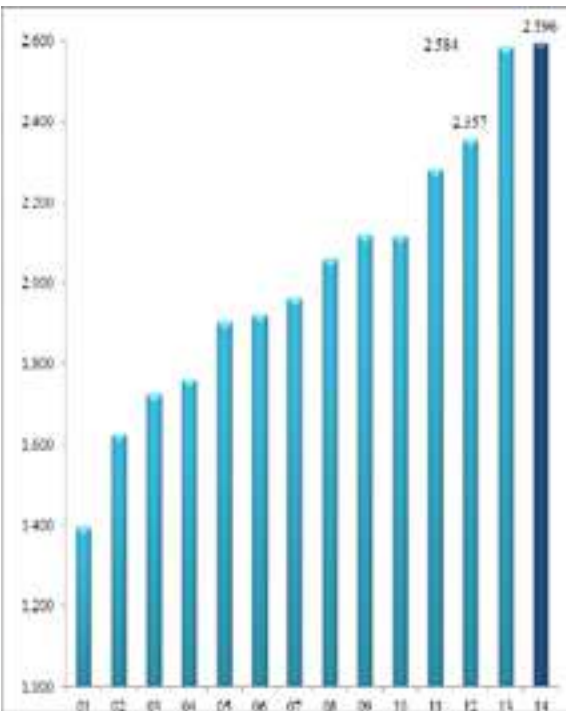
Balancing work and family life

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 the graph shows an increase in the staff by 239 persons in the last three years.



Rotation of personnel

Due to the fact that all personnel are covered by the same labour conditions, which are 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.

Training

	2013	2014
Hours dedicated to training	5.779,30	6.421,30
No. of personnel	210	265

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 increased.

	2013	2014
Average age	40,10	40,44

Hiring of personnel (Irizar S. Coop.)

In spite of circumstantial difficulties, not only have we maintained jobs, but we have hired a total of 67 people in the last two years.

	2012	2013	2014
Irizar	698	702	765

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 2014 and retirements.

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

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.

Insertion of disabled persons

Positive evolution.

	2013	2014
Indirect hiring of disabled persons	3,8%	4%

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.



- Safety and health inspections are carried out as well as periodic Industrial Hygiene inspections of all Industrial Installations.
- An indoctrination plan is established for all newly arrived personnel, providing training regarding with 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 will be made in the implementation of different measures (tools, suspensions, handling carts, external manufacturing...) to reduce the handling of loads and repetitive movements.
- For the purpose of improving the hygienic comfort, environmental improvements have been made in the reinforcements and the body.
- 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.

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 products and/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 wi-

thout 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 headquarters.
- 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.

As part of this framework, within [the last three years, we have invested over 920.000€](#) and we have increased safety, especially by reducing risks that could entail serious consequences.

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 at our installations, which undoubtedly contributes to 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 2013-2014

During the course of the year 2014 we have reduced the increasing trend of the accidents rate, reducing the number accidents per number of employees from 112.40 in 2013 to 96.88 in 2014.

In the case of the frequency rate, the number of accidents per hours worked, the trend has been the same, decreasing from 69.04 in 2013 to 61.30 in 2014.

Frequency rate

2013	2014
69,04	61,3

Workplace accidents with employee down time

2013 702 workers	2014 765 workers
79 accidents with down time	70 accidents with down time

Accident rate

2013	2014
112,40	96,88

With external collaborators

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 collaborators 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 infor-

mation 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.

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.



WITH THE ENVIRONMENT

The most relevant principles of Irizar's environmental policy are the progressive reduction of contaminating substances, the introduction of environmental criteria in the designing of products and instilling in their personnel and collaborators, a spirit of respect towards the environment

Our active commitment with the environment is applied to preserving and protecting it. This is how it is written in our environmental policy where we express our goal regarding energy efficiency, prioritizing preserving of natural resources and contributing to a progressive reduction of contaminating substances as well as the introduction of environmental criteria in the designing of products.

It is needless to say that this responsiveness towards the well being of personnel and the protection of the environment governs the behaviour of all the personnel that comprise Irizar.

This fact goes back to 1998, when Irizar was the first manufacturer of coaches in obtaining ISO certification 14001 in 1998, when we decided to undertake the extension project of the plant at Ormaiztegui.

In the year 2009 we joined the Stop CO2 Euskadi initiative of the Basque Office for Climate Change, implementing actions with the aim of reducing the emission of contaminating gases derived from our activity and focussing on energy efficiency in addition to involving personnel from our organization and our customers in the fight against climate change.

Undoubtedly, an important step was the decision taken in 2011 to initiate the sustainable mobility project for cities by designing a bus that is 100% electric and with zero emissions, which culminated in 2014 with the delivery of the first electrical buses developed entirely by the Group, in the cities of San Sebastian and Barcelona, the later as part of the European ZeEUS project.

This event will mark a milestone at Irizar and is a great step forward in our commitment to contribute to the well being and health of citizens and the future of our cities.

We will contribute to reducing 318.28Tn of CO2 throughout the service life of these buses as compared to a conventional bus that uses fossil fuels.

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 Available Technological Improvements (known in Spanish as MTD) in the manufacturing processes which have been used to start processes that affect the segregation of waste, suction of weld fumes and recycling 100% of the thinners used in the paint process, thus reducing the annual consumption of natural gas and consequently the emission of CO2 to the atmosphere. In the past 5 years we have reduced consumption by 50%.
- At the same time, we are constantly searching for the best solutions for achieving the maximum reduction of VOC emissions. Worth mentioning is our decided commitment to incorporate water based paint to all our paint processes.
- Eco-efficiency - The implementation of measures for progressively reducing the generation of waste.
- Electro mobility 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.



Electro-mobility - A bus that is 100% electrical (zero emissions)

Undoubtedly, electro mobility for cities is our main strategic goal and an important step regarding innovation in sustainable mobility to position ourselves as the leaders in urban mobility, with the firm commitment of improving safety in transportation and the quality of life of our citizens.

This new strategic line has resulted in the introduction of the first 100% electrical buses (zero emissions) of Irizar Group. In the year 2014 we have fulfilled the major challenge of delivering the three Irizar i2e buses; two in Barcelona and the first in the city of San Sebastian.

In July of that year Irizar delivered the first unit in San Sebastian, taking a new step in the development of its brand strategy by presenting its first 100% electric city bus to customers.

In August and October the next two units were delivered to the city of Barcelona, that way we became the first European company to deliver buses in the ZeEUS project.

The Irizar i2e is now a reference in sustainability and eco-efficiency aimed at urban mobility, and it addresses the current and future needs of city transport.



Cero emisiones 

Irizar Research and Development

Centre created to promote applied research capacities and technological development of Irizar Group for complete products as well as main coachwork components.



Proprietor technology - European Know How

The Irizar i2e is the first city bus that has been fully developed with proprietary technology, in line with the company's strategy that focuses on close customer relationships and strengthening the brand by building complete Irizar buses. The product is the result of the joint work of the Irizar Group companies together with technological centres of the Basque Technology Network. After the durability tests of the product, the Irizar i2e is presented as a European technology bus, reliable and prepared for transiting our cities, contributing its benefit of zero emissions. In addition, its endurance and profitability improve operating costs.

Innovation in sustainability

The i2e has arrived with the intention of being positioned as leader in urban mobility with this form commitment of contributing to sustainability and environmental improvement in cities. Since 60% of the population in the European Union live in cities, the elimination of contamination is one of the great challenges facing urban centres. Circulation of fuel vehicles is the cause of 40% of the emissions of CO₂ and of 70% of other contaminants. 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. There are increasing levels of acoustic contamination, and today, more than ever, we need efficient means of transportation that are ecological, silent, environmentally friendly, and help improve the quality of life of people in cities. The Group understands that the no-contamination decision of cities cannot be rever-

sed, which is why four years ago it decided to enter the world of urban buses directly with zero-emission electric buses. For this reason, and because it does not contribute to acoustic contamination, we are certain that the Irizar i2e is the ideal transportation alternative for cities and their residents. The Irizar i2e batteries have been working for 10 years as power supply systems and they are 99% recyclable. They represent a proven and reliable technology.

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 five years. Is considering building the new electro-mobility plant of Irizar Group in Guipuzkoa for the purpose of building products, components and systems beginning in 2016.

The bus of the future

Full autonomy

The Irizar i2e has been designed to offer autonomy between 200 and 250 km with only one charge at the end of the day. Just six hours of charging guarantees between 14 and 16 hours of driving in dense urban and interurban driving conditions.

It includes market pioneering technologies for the purpose of optimising consumption.

It is worth mentioning that the Eco-Assist system assists the driver in real time with the objective of reducing energy consumption and that way increasing its autonomy. It allows centralising the information about consumption, the route, and the driver.

Sustainable and eco-efficient

Thanks to its zero emissions, as well as its silence, the Irizar i2e is the ideal transport for cities and their inhabitants. In addition to considerably reducing CO2 emissions, it provides independence from the high prices of fossil fuels.

Its ability to recycle is another of its characteristics. The Ecodesign principles have been taken into account, applying environmental criteria in the design of the bus. The batteries are 99% recyclable and the bus is designed applying a high percentage of recyclable ability parameters. This way durability and profitability improve the operational costs.



ENVIRONMENTAL INDICATORS (years 2013 and 2014)

Natural resources:

Water: Down trend associated with different improvements in the installations. The increase in 2014 is associated with the new installations commissioned in 2014 for carrying out the leak tests. We expect consumption to stabilize if no new installations are built.

Electrical energy: The decrease in consumption is associated with the energy efficiency action plan at

installations commissioned in 2011 and up to 2014 where Irizar has invested 850,000€ in three years to replace fluorescent lamps with LED type lamps.

Natural Gas: Consumption is reduced primarily due to changes in the parameters of the SHW boilers for the purpose of optimizing their consumption. The evolution is positively valued since it reaffirms the effectiveness of the adopted measures.

CONSUMPTION OF RESOURCES	Consumption 2012/ bus	Consumption 2013/ bus	Consumption 2014/ bus
Water (m3)	13,28	9,29	9,72
Electrical Power (kWh)	7125,31	6292,81	5655,24
Natural Gas (kWh)	9281,93	9090,48	7914,71

Non-hazardous waste:

The normal generation of Non-hazardous waste (1184.57 kg) has dropped by 0.55%; however, this data has been altered due to the addition of a new waste comprised of sand which began being generated in 2014.

The generation of said waste is closely linked to production.

NON-HAZARDOUS WASTE	Regarding bus 2013	Regarding bus 2014
Total (Kg/bus)	1191,07	1193,97

Chemical products:

Thinner: In 2014, a reduction in the consumption of thinner was reduced by 15.29%, 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 such as the new tools for controlling consumption.

Paint: Similarly to what has been observed regarding the consumption of thinner, in the year 2014 this consumption of paint has been reduced by 14.12% with respect to the year 2013. In a manner that is coherent and similar to the consumption of thinners, we have noticed a reduction in paint consumption that is primarily due to the implementation of the paint management plan, for example by using paints with a lower content of thinners, replaced with other water based paints.

CONSUMPTION OF RESOURCES	2012	2013	2014
Paint consumption(m2 treated surface (kg/m2)	0,465	0,404	0,347
Thinner consumption(m2 treated surface (kg/m2)	0,298	0,231	0,196

Hazardous waste:

The decrease is primarily a result of the awareness actions for separating Hazardous Waste that were included in the Imagen Project that began in the year 2012.

HAZARDOUS WASTE	2013	2014
HW generation/coach produced (kgr/coach produced)	241,40	234,68

Our support to society



Our relationship with society is based on respect, is 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.

Our group philosophy is based on the unequivocal commitment with promoting growth and creating wealth as well as the socio-economic improvement of the areas where we operate, for which we make a significant financial effort as well as the dedication of our people.

We collaborate with training centres and universities nearby, and 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 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, child nutrition, social equality and environmental sustainability are some of our areas of action, with different projects worldwide.

In spite of the economic crisis we are contributing 1.5 million euros per year to support our community.

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

In 2013 and 2014 we have promoted the following actions:



Irizar received the business innovation award. The good corporate health of the group has been sustained on the deployment of a powerful business innovation policy in the last few years.

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.

X National Traffic Accident Rescue Meeting. Collaboration with APRAT (Professional Traffic Accident Rescue Association) at the X National Meeting that took place in Bilbao for updating procedures, in the case of rescuing victims of coach accidents as well as learning the latest advances in protective equipment and tools, always for the purpose of learning better ways to provide better care to victims, in addition to achieving a level of safety that is better adapted to the work that is carried out.

Celebration of the 50th anniversary of the Irizar cooperative (2013). Open house for Irizar retirees and their families, attended by nearly 1,700 people. An event that took place during the 50th anniversary of the cooperative was used to bring together and strengthen the bonds of today's world and the workplace of the persons that work at Irizar and the new installations to the families that visited us. The event included an attractive program of the activities, entertainment, and workshops open to all ages, including the youngest children. An emotional tribute was paid to the founding members.

Celebration of the 125th anniversary of Irizar (2014). Event focussed on Irizar personnel, retirees, suppliers, institutions, press and local social agents. The event was attended by the President of the Basque Government and the Leader of the Provincial council of Guipúzcoa and about 700 persons. An event that was used for inaugurating the new installations of Irizar and pay tribute to the Irizar family.

Irizar children's park at the saint celebrations of San Andrés at Ormaiztegui (2014) on to celebrate the 125th anniversary, children and youths from the city of Ormaiztegui, where Irizar was founded, enjoyed a children's park during the local saint celebrations. Not in vane since the children are our 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 2013 program included a day at great Bilbao and its surroundings, visiting the shipyards and make a stop at the Hanging Bridge and Punta Galea, to end up eating at Getxo.

In 2014 for reason of the 125th anniversary of Irizar, a trip to Madrid was scheduled to visit the Irizar stand at the FIAA Fair. It included a night at the city and visit to the cities of San Agustín de Guadalix and Lerma, where they had a chance to enjoy the local cuisine.

Business Innovation Award (2014). The annual celebration of the XXIII edition of The Night of the Basque Company, organized by the Fundación Empresa Vasca y Sociedad eta Euskal Enpresa Fundazioa, sponsored by Sabadell Guipúzcoano and took place at the Guggenheim Museum of Bilbao and was attended by more than 300 representatives from the financial and institutional world who showed their appreciation to the winners of the edition. Irizar received the business innovation award. The good corporate health of the group has been sustained on the deployment of a powerful business innovation policy in the last few years, which has been extended to the management, technology and the product, leading to a strengthening of the Irizar brand.

Cultural type activities

The sponsored target is directly related with our philosophy of Corporate Social Responsibility. 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.



Sponsorship of the [Irizar Basque Film Award](#) as part of the International Film Festival of San Sebastian for the second 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. Competing for the award are all new feature films that participate in any of the sections and where at least 20% of the production is Basque. 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.

[Sponsorship of the Journey of Life cycle](#) of the summer Courses at UPV. 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.

[Euskera language plan at Irizar](#). At the end of 2011 we made the decision to resume the project of promoting Euskera language at Irizar with the aim of increasing its use and standardization. Year after year we have been taking the necessary steps in this direction.

[Donation to 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 required for standardizing the situation of Euskera in Basque society. One more year, Irizar supports the Basque language and culture.

Irizar also sponsors the activities carried out for promoting the standardization of Euskera at a social level such as Kilometroak, Nafarroa Oinez and Korrika as well as publications in local magazines.

[Collaboration with the Friends of Versolarismo association](#) in the annual cultural competition, its magazine, school and youth camps is 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 Ormaiztegui 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.

Education



We highlight initiatives carried out as part of our commitment in education during the years 2013 and 2014. Collaboration with:

Public [educational institutions](#) in Basque Country.

The [Goierri Foundation](#); Technical, economic and social training and development of the district of Goierriarra 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](#) is established in July

of 1995 with the primary purpose of supporting and promoting the appearance of new business initiatives in the district of Goierri. At this time we 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 we have been offering 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.



Social type activities

The aim of sponsorship is directly related with our CSR philosophy and includes support of different entities with a non-profit social and assistance profile (associations, NGOs) that operate in Spain as well as in other countries, taking care of the elderly and the underprivileged, training, health and development of children with a disability (physical or mental) or at risk of social exclusion.

“More than 40 projects
through more than 20
ONG's worldwide”

“More than 20 actions
through more than 20
Associations in Guipúzcoa”

Sports type activities

Kirolgi Foundation. Since 1999 supporting sports in Guipuzkoa. Non profit organization with the main objective of promoting and developing sports in Guipuzkoa, with special attention to performance sports, especially by obtaining public and private sponsorships. Irizar understands that sports is the perfect avenue for transmitting values such as dedication, motivation and involvement of all for achieving goals.

Real Sociedad. We sponsor the First Division Football team of Guipuzkoa.

Sponsorship of the Critérium de Ciclismo adaptado de Guipúzcoa (adapted cycling). The Championships of Gipuzkoa and Euskadi in route in the different categories took place in Andoain. Irizar collaborated with these championships in the adapted

cycling modality to promote standard sports competition and encourage adapted cycling in Guipuzkoa; at sports events, exhibitions, associations and education centres. This event attempts to take advantage of the social and media impact of sports, in this case Adapted Cycling, for the purpose of announcing a personal development and social integration program through sports, which provides motivation to this group as well as a framework for developing as people and an opportunity for their future, for children as well as adults.

We also engage in many collaborations with basketball (Lagun Aro GBC), rugby, track and field, rural basque sports, cycling and sports activities and championships taking place in Ormaiztegui.



Vicente Ferrer Foundation

Collaboration with the Vicente Ferrer Foundation in the general development of the living conditions in the most disadvantaged communities of Andhra Pradesh, India. Specific project for building adapted homes for persons with disabilities at several locations for the purpose of helping the social integration of persons with disabilities and lower the disease rates of the population of Anantapur.

Doctors without Borders

DWB coordinates and manages the assistance provided by Irizar based on the needs and priorities. Thanks to this support, DWB has assisted victims of humanitarian crisis during emergencies as well as with regular projects, making it possible to help reaching locations where violence, disease or natural disasters have caused the most damage.

Unicef

Assisted by Unicef, Irizar works for children on world-wide projects which place the protection of children's rights above any other interest.

Etiopia Utopia

Through the Etiopía Utopía foundation, Irizar collaborates in the cooperation for development of the region of Wukro in Ethiopia.

Caritas

Collaboration through Caritas in support of the most urgent needs of the most underprivileged.

Mundukide

By supporting Mundukide, Irizar collaborates in district socio-economical development programs supporting the creation of social companies, the development of agriculture and basic infrastructures, as well as training and technical assistance programs in the territories of Mozambique, Brazil and Cuba.

Herriak Elkarlanean

Irizar has engaged in close collaboration with this organization by actively participating in the creation of a maternal and primary school of Boukoumbé in Benin, among other locations. In turn, our support has allowed building an elementary and primary school for 400 students at Pehunco, as well as homes for teachers.

"Potable water supply to the population of Dase" is another important project in which Irizar has collaborated with Herriak Elkarlanean and Caritas, which consists of building a water tank in the locality of Eritrea.

In this sense, Irizar's relationship with Eritrea goes far beyond that since one of our partners travelled to this territory to actively help build four schools in the valley of Awenjeli.

Diocesan Missions

With the support of Irizar, Diocesan Missions focuses on supporting the development of poor people and groups, cooperating with the communities and local churches in Angola and Ecuador.

At the local level in Euskadi it carries out the work of promoting missionary work by raising awareness regarding the injustices of the North-South conflict.

Médicos del Mundo

With the spirit of working for the right to healthcare for all people, especially for those living in poverty, gender inequality and social exclusion, Irizar collaborates with Médicos del Mundo, which is currently undertaking 55 projects around the world.

The participation of Irizar in Tanzania is carried out through the Médicos del Mundo organization which works hard to improve health services provided at health centres, especially for women and children younger than five, working directly with the communities on matters such as family planning, HIV prevention and human rights, primarily for women (gender based violence, forced marriages, etc.)

Baltistan Fundazioa

With the mountain as the supportive bond, from Irizar we support *Baltistan Fundazioa* in their work in communities of the Valle de Hushé in Baltistán, Pakistan, providing the population of the area with the capabilities and infrastructures required for them to promote and manage their own sustainable and fair economic development.

Hirukide

Support for the *Federación de Asociaciones de Familias Numerous in Euskadi* with the aim of defending the rights of this group in every aspect of political, institutional, social, media and business life. Currently the Federation reunites over 7,500 member families which add up to nearly 40,200 members.



Manos Unidas

Thanks to the support provided to Manos Unidas, Irizar collaborates in the fight against hunger, malnutrition, misery, disease, underdevelopment, etc. with the aim of working to eradicate the structural causes by financing projects in Africa, Asia and Oceania to collaborate in the development of the people of the South.

Infancia Misionera

Under the motto “Children help children”, Irizar collaborates with the Obra Infancia Misionera by building a solidarity human and spiritual network with children, financing social and education projects that are exclusively for children, especially at different locations of the African continent.

Fair Trade

Irizar also focuses on its work of promoting this alternative and solidarity type trade system by supporting the Comercio Justo platform, with the aim of improving the access to the market by disadvantaged producers and change the current international trade rules, which consolidate poverty and inequality.

Hermanas pasionistas

Irizar collaborates with the community of Hermanas Pasionistas, which carried out its mission on all five continents with the aim of bringing its Passionist Charism, committed to different projects in support of socially disadvantaged women and children.

Ormaiztegiko Sahara Elkartea

Through the Ormaiztegiko Sahara Elkartea group and combining claims and sports, Irizar collaborates in a popular race in favour of the Sahara.

This way all the money raised for this activity is sent to the Saharan people for them to purchase what they need from Algeria.

Hermansoloña

Irizar supports this organization which year after year sends containers filled with clothing, toys, medicines, books, etc. to the Argentine locality of José C. Paz, in addition to supporting training workshops, crops and sports infrastructures for their people.

Rwanda Taldea

Through the Rwanda Taldea group, Irizar collaborates with the Rwandan population of Gihara, by creating new public classrooms and a special emphasis on schooling enrolment of the children in the area.

Tximelagua

Through Tximelagua, the Association for Cooperation and Development of Paediatric Physical Therapy, Irizar collaborates with the work of helping disabled children in rural areas North of Nicaragua.

In Mexico, they have five projects where Irizar is actively present

- **“Bridge to community health”**, a project that aims to equip a pilot plant with the necessary equipment for training and incubation of community groups for development, innovation, elaboration and continuous improvement of their food products such as amaranth and organic egg.
- **“ChildFund Mexico”**, which contributes to building infrastructures and training native women on how to make crafts, promoting the creation of self employment.
- **“Fundación Haciendas del Mundo Maya”**, which aim is to equip, train and refurbishing for producing melipona honey and hammock building workshop.
- **“DIF Municipal El Marqués”**, which provides financial aid and special donations to provide social assistance to people for purchasing things such as wheelchairs, toys, furniture, trucks, food and shelter.
- **“Nutre a un niño”**, with the aim of contributing to developing children in rural populations in Mexico through social, economic and environmental activities.



In South Africa, Irizar collaborates on the following projects:

- [supplying food to centres for the elderly](#). In addition to supplying food contributed by personnel from Irizar we deliver cleaning materials as well as basic needs.

Also this year we have donated school materials to the [Dove's Nest Foster Home](#) centre with the aim of guaranteeing that children in this orphanage have the supplies and books required to ensure they receive a good education.



More than 20 actions through more than 20 Associations in Guipúzcoa

[ADAHIGI](#) - Association for attention deficit with/without Hyperactivity in Gipuzkoa

[BEGISARE](#) - Association in support of people affected by pigmentary retinosis in Gipuzkoa

[ASPARGI](#) - Parkinson's Association of Gipuzkoa

[ASHEGUI](#) - Haemophiliac association of Gipuzkoa

[ASPANO GI](#) - Parents association of oncology children of Gipuzkoa

[GAUTENA](#) - Autism Association

[ALCER](#) - Association of kidney patients of Gipuzkoa

[ADEMG I](#) - Multiple Sclerosis Association of Gipuzkoa

[AECC](#) - Association Against Cancer

[ARANS GI](#) - Deaf People Family Association of Gipuzkoa

[ATZEGI](#) - Assoc. of Guipúzcoa in favour of mentally challenged persons

[ARNASA](#) - Cystic Fibrosis Association of Gipuzkoa

[PAUSOKA](#) - Guipúzcoa association of Parents of children with special needs

[KEMEN](#) - Basque physically challenged sports group

[ARRATS](#) - Association aimed at providing social and legal services to inmates and ex-convicts.

[BIDEGIN](#) - Support service for Mourning and advanced serious illnesses

[IZARGI](#) - Association in support of persons in mourning.

[APCF](#) - Association for family care, aimed at caregivers of Dependent persons

Other initiatives through associations caring for the elderly

[NAGUSILAN](#)

[RETIRES OF ORMAIZTEGI](#)

[Zuhaizti](#) - Retirees and pensioners of Ordizia

[Betigazte](#) - Retirees of Zaldibia

[Atsedentoki](#) - Retirees of Ataun



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