

## 3.5 GOVERNANCE MODEL OUR COMMITMENTS

Due to the fact that Indra is exposed to various risks related to its activities and the demand for information about its principles of action from various stakeholders, Indra has made regular public statements about its position regarding various risks and business activities. To name a few: the risk of corruption and bribery, its presence in tax havens, lobbying policies, the defence of human rights, relationships with public administrations, and climate change.

In some cases, these principle statements have been followed up by adherence to certain initiatives, as was the case with Global Compact (<http://www.indracompany.com/en/sostenibilidad-e-innovacion/global-compact>) or to the Women's Empowerment Principles in 2011.

Generally speaking, the company applies those commitments it has embraced in public, internally, by means of its Code of Ethics and Professional Conduct and its new Compliance Program.

The Code of Ethics and Professional Conduct is based on a series of principles that stem from its corporate values, and should be applied to the work, use of resources and daily performance of all of Indra's employees.

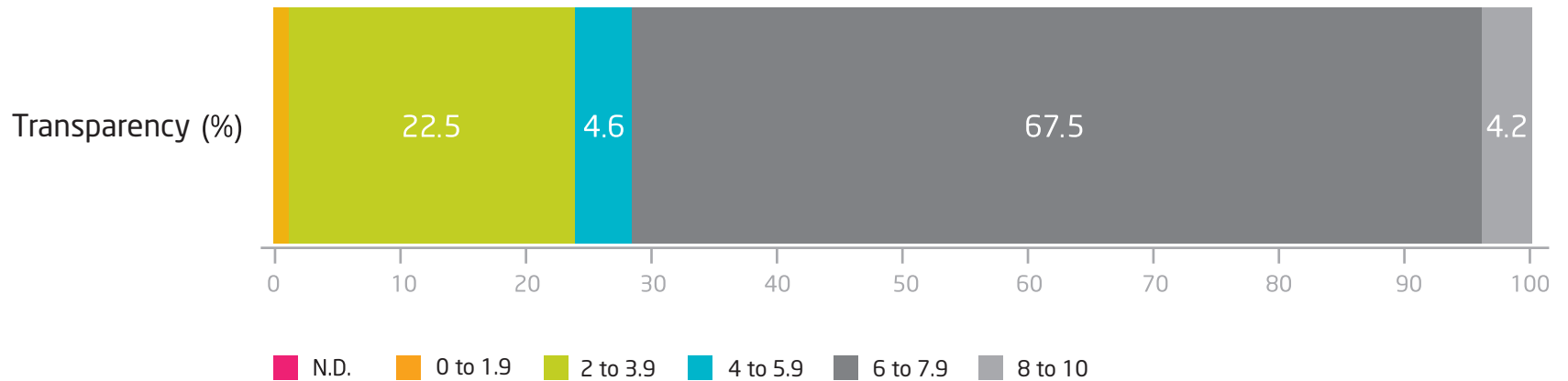
The guidelines are aimed at all the company's employees, all of whom must comply with them fully, regardless of the country, category, condition or company to which they belong. (<http://www.indracompany.com/en/sostenibilidad-e-innovacion/code-of-ethics>).

Below there is a description of the main commitments the company has publicly embraced in its various management areas.

### **Managing the risk of corruption at Indra**

Indra has operations in 118 countries around the world, which means that the company operates in places with highly different levels of transparency.

Specifically, during 2011, more than 70% of our sales stemmed from countries with a high level of transparency (higher than 6 over 10 according to the International Transparency Index), whereas the rest of our sales took place in countries in which there is a relative risk of corruption. This percentage has slightly decreased compared to that of 2010 due to Indra's higher exposure to emerging markets as a result of our strategy of targeting markets with high growth potential.



Graph: Distribution of Indra's sales by degree of transparency of the purchasing countries.

Source: International Transparency, Corruption Perception Index 2011. <http://cpi.transparency.org/cpi2011/results/>

Own development.

However, Indra believes that its business activities should be law-abiding and comply with free market and fair competition principles, and should also be conducted in an ethical and transparent fashion.

The company extends this commitment to all its professionals through its Code of Ethics and Professional Conduct, which explicitly refuses in point 3 "to participate in any acts of bribery when dealing with authorities and/or government employees or to offer or grant to senior management, employees or external collaborators benefits or advantages of any nature that are outside the realm of lawful market practice or which could be construed as being aimed at inappropriately influencing the normal progress of the business, administrative or professional relationships that Indra takes part in."

Indra carries out various training activities annually and all its professionals have access to the Direct Channel as a tool to communicate any questions that may arise while they perform their job, which serve the purpose of involving all its professionals in the fight against corruption.

Moreover, Indra operates a total transparency policy regarding any corruption incidents related to the Code of Ethics and Professional Conduct of the company. As mentioned in the chapter 'Audit and Internal Control' of the Code of Ethics and Professional Conduct, Indra did not register any incident related to corruption or bribery in 2011. The company registered one incident related to fraud, which, after appropriate investigations and verifications were carried out, was resolved with the dismissal of the professionals involved.