



Isdefe



CODE



OF CONDUCT



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## INTRODUCTION

Isdefe, as a public and socially responsible company, places a high importance on the fair treatment of its employees, clients, suppliers and on respecting the environment.

The nature and objectives of Isdefe, as well as the characteristics of the services it provides, require that the company's policy be based on the qualifications and good performance of its employees at both a personal and professional level.

The purpose of this Code of Conduct is to define those policies that enhance the identity, culture and standards of conduct of Isdefe's employees and to give company personnel a tool to orient and guide activities that are of particular importance in the areas of social, environmental or ethical behavior.

This Code includes the guiding principles of conduct that must define the professional performance and attitude exhibited by all Isdefe employees in their everyday work, the resources used and the corporate environment in which it takes place, as well as those behaviors rejected by Isdefe and which are to be avoided.

While this Code provides guidance for a wide range of possibilities, no code can anticipate every situation that an individual might face. Thus, any situation that is not specifically included in the list that follows neither allows nor presumes a tolerance for those actions that may in any way harm the employees, the company and, in general, the public at large. The standards of conduct included in this Code are not intended to be all inclusive in terms of the situations or circumstances that may face Isdefe employees, but rather to establish

general guidelines for conduct that will serve to orient their actions during the performance of their professional activities.

## PURPOSE

The Code of Conduct encompasses:

- ❖ Those values and principles at Isdefe that govern the company's activities.
- ❖ A set of specific guidelines for employee conduct in the following areas:
  - ❖ Respect for equality, human rights and ethical values.
  - ❖ Respect for individuals.
  - ❖ Career development and equal opportunity.
  - ❖ Cooperation and dedication.
  - ❖ Workplace health and safety. Teamwork.
  - ❖ Use of and safeguarding company assets.
  - ❖ Zero tolerance for corruption and graft.
  - ❖ Fight against money laundering and illegal payments.
  - ❖ Corporate image and reputation.
  - ❖ Loyalty to the company and conflicts of interest.
  - ❖ Handling of information and knowledge.
  - ❖ Client relations.
  - ❖ Relationships with partner companies and suppliers.
  - ❖ Respect for the environment.

## APPLICABILITY

This code is applicable to all Isdefe employees, regardless of the type of contract that defines their occupational ties to Isdefe, their job or their place of work.

Isdefe will encourage its suppliers and partner companies to adopt a standard of conduct that is compatible with that defined herein.

## ISDEFE VALUES

Isdefe's corporate values, which are shared by every professional who works at the company and which serve to define the work, the use of resources and the discharge of daily activities are:

### ❖ *Independence*

Due to its public nature and to the types of services it provides, Isdefe can guarantee its neutrality against outside commercial, industrial and financial interests.

### ❖ *Global Vision*

The many sectors and areas of knowledge in which Isdefe is involved endow the organization with a multidisciplinary profile that is mirrored in the professional diversity of its work teams. This integrated vision of our clients' requirements gives rise to valuable synergies that Isdefe uses to serve its clients.

### ❖ *Experience and Excellence*

The experience acquired by Isdefe over its more than 25 years of activity has given it a profound understanding of its clients that allows it to offer technical excellence in the solutions proposed as well as to guarantee the continuity of its services.

### ❖ *Pro-activity, anticipation and innovation*

Anticipation of the client's needs in a changing technological environment to provide innovative solutions.

### ❖ *Commitment*

Isdefe is committed to society, to the client and to its own organization and guarantees the utmost neutrality and confidentiality in every challenge, as evidenced by its non-discriminatory, transparent and honest behavior.

All of Isdefe's corporate policies, procedures, processes and activities are governed by Corporate Social Responsibility (CSR) criteria that contribute to social, environmentally sustainable and financially viable development, especially in consideration of its nature as a public company serving the Ministry of Defense and the Public Administration in areas of strategic interest.

# STANDARDS OF CONDUCT

## ▣ RESPECT FOR LEGALITY, HUMAN RIGHTS & ETHICAL VALUES

Isdefe is firmly committed to acting at all times in keeping with applicable laws in Spain and other countries where it carries out its activities and with internationally accepted ethical practices that guarantee full compliance with Human Rights and public liberties.

Isdefe adheres to all applicable legislation, including laws in the areas of taxation, competition, labor, the environment, equal opportunity, health and safety.

Therefore, it is every employee's responsibility to obey laws applicable to their job and to avoid any activity that may involve Isdefe in any practice that may be not only illegal, but also immoral or illicit.

Isdefe's activities and operations are carried out within the framework of the United Nations Global Compact, the purpose of which is the adoption of universal principles in the areas of human rights, occupational standards and the environment.

The 10 Principles of the Global Compact for companies are:

### Human Rights (Universal Declaration of Human Rights)

1. Businesses should support and respect the protection of internationally proclaimed human rights; and,
2. make sure that they are not complicit in human rights abuses.

### Labor (ILO's Declaration On Fundamental Principles and Rights at Work)

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

### Environment (Rio Declaration on Environment and Development)

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake activities to promote greater environmental responsibility; and,
9. encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption (United Nations Convention Against Corruption)

10. Businesses should work against corruption in all its forms, including extortion and bribery.

All Isdefe employees must obey the applicable laws in those countries where they carry out their activity, abiding by the spirit and purpose of said laws and exhibiting ethical behavior in all of their activities.

They must likewise avoid any conduct that, while lawful, may harm Isdefe's standing with the community, the national government or other organizations.

Isdefe employees must act honestly and with integrity in all of their dealings and transactions with the authorities and functionaries of the various governments and administrations, assuring that all of the information and certificates they present, as well as any statements they provide, are truthful.

All employees must know those laws that affect their jobs or request relevant information from their superior or from the corresponding authorities.

No employee shall knowingly collaborate with third parties to violate any law, or take part in any activity that compromises the integrity of the principle of legality, human rights and ethical values.

#### **▣ RESPECT FOR INDIVIDUALS**

Isdefe does not tolerate discrimination for reasons of birth, ethnic origin, religious beliefs, sexual orientation, civil status, ideology, disability, age or for any other reason, nor any expression of physical, psychological or moral harassment or abuse of authority or any other conduct that may result in intimidation or in a setting that violates the rights of individuals, both among its own employees as in its relationships with clients, potential clients and suppliers.

Isdefe employees must treat each other with respect and foster cordial relations in a pleasant, healthy and safe work environment.

All employees have an obligation to treat their colleagues, superiors and subordinates fairly and respectfully. Likewise, the relationships between Isdefe employees and those of outside partner companies or agencies are to be based on professional respect and mutual cooperation.

Isdefe believes it is important to develop the whole person. As a result, it will provide the necessary balance between professional, family and personal life.

#### **▣ CAREER DEVELOPMENT & EQUAL OPPORTUNITY**

Isdefe promotes the professional and personal development of all its employees and guarantees equal opportunity through the policies contained in the Equality Plan approved by the company.

It does tolerate any type of workplace or professional discrimination for reasons of birth, age, gender, religion, ideology, social origins or disability.

Isdefe also supports and is committed to applying policies that promote greater equality of opportunity and to fostering a merit-based corporate culture.

Isdefe employees are hired and promoted based on their skills and professional performance, as well as on the merit and ability criteria specified in the job requirements.

## ▣ COOPERATION & DEDICATION- TEAMWORK

In an effort to better utilize all of its capabilities and resources, Isdefe promotes an environment of cooperation and teamwork.

All Isdefe employees must embrace the spirit of cooperation, making available to the other organizational units and individuals that comprise Isdefe the knowledge or skills that may further Isdefe's goals or interests.

Professional relationships at Isdefe are characterized by team spirit. Isdefe is convinced that people working as a team can achieve more than people acting alone. Teamwork requires cooperation, an infusion of ideas and the acceptance of the options that are eventually adopted.

Employees must work efficiently during the workday, making the most of the time and resources the company places at their disposal and making every effort to contribute positively to every process in which they are involved.

## ▣ WORKPLACE HEALTH & SAFETY

Isdefe is steadfastly committed to the safety of its employees. To this end, Isdefe promotes the adoption of workplace health and safety policies and adopts the preventive measures stipulated in applicable laws. It also provides its employees with the resources and knowledge necessary for them to carry out their jobs in a safe and healthy environment.

Isdefe also encourages its partner companies and suppliers to adopt its workplace health and safety policies.

Likewise, Isdefe constantly strives to provide for the health and safety of its employees when their jobs require them to work at locations that are not under the direct control of the company.

All Isdefe employees must know and obey workplace health and safety regulations and look after their own safety and that of other employees, clients, suppliers, partners and, in general, everyone that may be affected by the performance of their activities.

## ▣ USE & SAFEGUARDING OF COMPANY ASSETS

Isdefe makes available to its employees the resources they need to carry out their professional activities and is committed to facilitating the means to protect and safeguard said resources.

Every employee must use the company's resources responsibly, efficiently and appropriately within the limits of their professional activities. They must also protect and safeguard them against any improper use that could be contrary to the company's interests.

- ◆ Company assets. They shall protect and safeguard Isdefe's assets and restrict their use to that strictly necessary for the performance of their jobs.
- ◆ E-mail. They shall not improperly utilize e-mail or Internet access or similar resources placed at their disposal. Sending or accessing information that is illegal or of a xenophobic, racist, sexist or discriminatory nature is strictly prohibited.
- ◆ Computers. They shall pay special attention to computer systems and resources and take every available security measure in an effort to comply with internal security measures.

- ❖ Brands. The Isdefe name and image shall only be used as required for the discharge of their professional activities.
- ❖ Intellectual and industrial property. They shall respect the intellectual property and the usage rights belonging to Isdefe as these relate to computer courses, projects, programs and systems, knowledge, processes, procedures, methods, technology, know-how and, in general, all other work and property developed or created at Isdefe as a result of their own professional activity or that of third parties. Therefore, these shall not be used outside of said activities and all supporting equipment shall be returned when requested.
- ❖ As regards technical resources such as hardware and software, these are to be used only to attain Isdefe's objectives or for other duly authorized purposes. The use of unlicensed software is strictly prohibited.
- ❖ Unless authorized in writing by the relevant manager, the use of software that does not abide by Isdefe's official standards is forbidden. Employees must not install illegally copied software on Isdefe's computer system.
- ❖ Employees who work with technical resources must be informed regarding usage restrictions. Likewise, they must adhere to the license of use and abstain from engaging in activities for which Isdefe may be held liable.
- ❖ Technical resources are to be used in keeping with applicable regulations and according to prescribed procedural and operating guidelines.

#### ▣ ZERO TOLERANCE OF CORRUPTION & GRAFT

Isdefe objects to the use of influence over the will of persons outside the company to obtain any benefit through the use of unethical practices. It also shall not allow other persons or entities to use these practices with its own employees.

Isdefe employees shall not accept any enticements, donations, invitations, favors or compensations of any kind, either directly or indirectly, that are intended to improperly influence their commercial, professional or administrative relationships with public or private entities.

Isdefe employees shall also not make or offer, either directly or indirectly, and payments, enticements or rewards of any type that are outside of business or professionally ethical norms in an effort to improperly influence their commercial, professional or administrative relationships with public or private entities.

#### ▣ FIGHT AGAINST MONEY LAUNDERING & ILLEGAL PAYMENTS

Isdefe has policies in place to, over the course of its business operations, prevent and avoid money laundering and illegal payments stemming from illicit or criminal activities.

These policies set specific limits on incoming and outgoing financial transactions of an unusual nature or amount that are paid in cash or bearer checks, as well as on all those payments made to entities with bank accounts in tax havens, and shall in all cases identify the owner of said accounts.

## ■ CORPORATE IMAGE & REPUTATION

One of the core elements at Isdefe that contributes to its corporate image and reputation is the establishment of responsible civic relations in those communities where it carries out its activity.

All employees must consider the interests of local communities when engaged in their professional activities.

Isdefe regards its corporate image and reputation as one of its most valuable assets in preserving the trust of its shareholder, clients, employees and suppliers and of government and society in general.

All employees must make every effort to preserve the company's image and reputation in all of their activities.

They shall likewise ensure that employees of contractor and partner companies uphold and properly use the corporate image and reputation of Isdefe.

Employees must be particularly vigilant at any public event, and must receive authorization to appear before the news media, to take part in professional gatherings or seminars and any other event that may be of public interest whenever they appear and act on behalf of Isdefe.

Isdefe does not interfere with or take part in political processes in those countries or communities where it carries out its activities.

## ■ LOYALTY TO THE COMPANY & CONFLICTS OF INTEREST

Conflicts of interest arise in those situations where an employee's personal interests are directly or indirectly opposed to or in conflict with those of the company, interfere with the honest execution of their

duties or personally involve them in one of the company's financial transactions or operations.

Isdefe believes that its relationship with its employees must be based on a loyalty that is born of common interests.

Along these lines, and in keeping with the limitations and requirements imposed by law and by employment contracts, Isdefe respects the participation of its employees in other financial or business activities as long as they are legal and do not involve unfair business practices or conflict with Isdefe's own activities and with their own responsibilities as employees of this company.

Over the course of their jobs, employees must behave loyally and safeguard Isdefe's interests. They must also avoid situations that may give rise to a conflict between their own personal interests and those of the company.

To this end, Isdefe employees must abstain from representing the company and from intervening in or influencing the decisions involved with any situation in which they have a personal interest, whether direct or indirect.

## ■ HANDLING OF INFORMATION & KNOWLEDGE

Isdefe views information and knowledge as an asset that is essential to proper corporate governance. As such, it must be the object of special protection.

The accuracy of information is a core principle in every company activity; therefore, any information that is conveyed by employees, whether internally or externally, must be truthful. Under no circumstances are they to provide information they know to be incorrect or inexact and that may mislead the recipient.

All Isdefe employees must hold in the strictest confidence all privileged information that they access over the course of their professional activities.

Employees holding privileged information about the company or its clients or about important aspects of the company's strategy, policy, plans or assets are to safeguard it so as to prevent its improper use and must abstain from using it inappropriately for their own or someone else's gain.

Employees have a duty to protect company information, making it available to other Isdefe employees and to any knowledge management systems that may be in use at the company.

All of the information and knowledge that is the conceptual result of the entirety of the information that is generated within the company, is the property of Isdefe, pursuant to the stipulations of applicable laws and to its contractual frameworks with its clients.

Isdefe complies with applicable laws in every country in terms of the protection of information, respects the right to privacy and protects the personal data entrusted to it by its clients, employees, suppliers and outside partners, prospective employees and other individuals.

## ▣ CLIENT RELATIONS

Isdefe accepts and promotes its commitment to quality, making available the resources necessary to achieve excellence and implementing the measures required to ensure that its quality policy is observed by all of its employees in keeping with these principles.

All Isdefe employees must behave honestly with all external and internal clients and strive to attain the highest levels of quality,

excellence in the provision of services and the long-term development of relations based on mutual trust and respect.

The information and advice provided to clients must always be sufficient, truthful, timely and adequate.

## ▣ RELATIONSHIPS WITH PARTNER COMPANIES & SUPPLIERS

Isdefe views its suppliers and partner companies as essential to the achievement of its objectives to grow and improve the quality of its service, and seeks to establish mutually beneficial relations with them that are based on trust.

Isdefe is committed to promoting practices with its suppliers and external partners that are consistent with the standards of conduct included in this Code, without prejudice to the enforcement of contractual obligations.

All employee activities involving contracting, subcontracting and purchasing shall be carried out within a framework that ensures that said activities abide by the principles of disclosure, competition, transparency, equality and non-discrimination and confidentiality, as detailed in the contracting instructions and in the general contracting conditions published on the Isdefe website.

The agreements in place between Isdefe and its suppliers or external partners may include clauses requiring compliance with certain ethical, social and environmental standards.

## ▣ RESPECT FOR THE ENVIRONMENT

Isdefe is committed to carrying out its activities in a way that is as environmentally friendly as possible and that minimizes the negative effects that said activities may occasionally engender, and it shall make available to its employees the most effective means for complying with this commitment.

Abiding by this principle implies having everyone who works at Isdefe accept and implement the good environmental practices that the organization has adopted:

- ◆ Cooperate with all interested parties in the organization in respecting and caring for the environment.
- ◆ Use the means available to control and prevent pollution stemming from the release of emissions, discharges and noise.
- ◆ Manage waste safely and implement those recycling and reuse practices that may be adopted by the organization.
- ◆ Control consumption, not waste natural resources and encourage conservation measures.

Employees must likewise make an effort to minimize the environmental impact stemming from their activities and from the use of the facilities, equipment and resources placed at their disposal, and must strive to use these means efficiently.

In their relations with outside contractors or partner companies, Isdefe employees are to convey these principles and comply with all applicable environmental procedures and requirements.

## VALIDITY

This Code of Conduct shall be valid as of its approval date.

Madrid, 11 November 2011