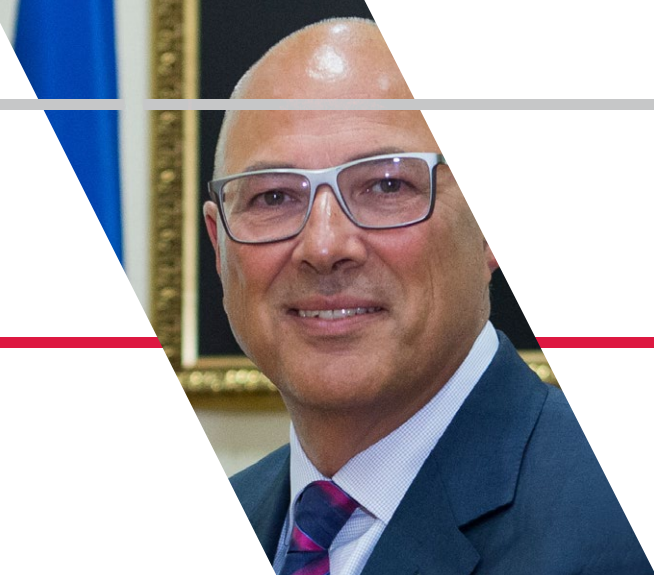




Annual Report
2018
Executive Summary



Isdefe
Your best ally



Letter from the President

Over the past year, the Secretariat of State has made a great effort, following years of financial hardship, to bolster programmes to modernise those essential capacities required for National Defence, necessary to ensure our sovereignty, values and well-being.

The goals of the new programmes are intended to maintain our influence in the international arena, where new initiatives embedded in the European Common Security and Defence Policy, such as the European Defence Action Plan (EDAP) and Permanent Structured Cooperation (PESCO), will create a new environment where promoting innovation and supporting the industrial and technological resources of our country will prove decisive.

In this context, it is a privilege to have the opportunity to, once more, introduce the annual report of Ingeniería de Sistemas para la Defensa de España (Isdefe), the pages and web portal of which present the organisation's activity in detail, along with its economic, social, environmental and corporate governance in the 2018 fiscal year.

Isdefe continues to be a firm and indispensable tool at the service of the Ministry of Defence, undertaking extensive endeavours, most notably supporting the management of our programmes. The knowledge generated over the years has been equally useful in other areas of Spain's Public Administration. Isdefe is its in-house technical provider of Defence and Security services, though its activity also encompasses the areas of Space, Transport, Public Administrations, ICT and Energy.

The current pace of technological development augurs great challenges and profound changes. The know-how accumulated by the organisation over its 30+ years of experience, together with its commitment to excellence and its innovative spirit, provide a guarantee as the Ministry and the Administration set out to achieve the targets they have set for themselves.

The combination of knowledge and the daily efforts of each of its employees constitute the organisation's main asset. I would like to take this opportunity to recognise and thank them for their work and dedication to public service, and to encourage them to continue working with the same determination on this common project that is Isdefe.

Ángel Olivares Ramírez
Secretary of State for Defence
President of Isdefe



Letter from the Chief Executive Officer

Once again, it is my pleasure to present the Isdefe Annual Report, this time for 2018, which summarises the activity, lines of action, business figures, future plans, events and milestones achieved by the company.

In 2018, Isdefe continued to build on its position as the Administration's in-house service provider, primarily in areas of activity involving Defence and Security, as well as in other high-value spheres. Of note is the fact that the total income figure for 2018 was €146.6 million. Of this, 89 % was the result of our activity as the government's in-house service provider.

Our activity continued to make inroads in our usual sectors, particularly in areas of National Security Strategy, and we have enhanced our strategic R&D projects through partnerships with leading universities and research centres. We have also made progress in the areas of transforming and developing our human resources, and in digital transformation. We also continued to engage in strategic foresight activities to identify challenges through 2030. Internationally, Isdefe participated in recent initiatives in the field of European defence promoted by the Union, and is present in significant national projects.

All of our activities were undertaken with the utmost integrity, transparency and in keeping with the best corporate governance practices, all in an effort to guarantee the sustainability of the company and its financial health. Once again, continuing down the path forged in previous years, we have renewed our commitment to the United Nations Global Compact, the world's largest public-private sustainability partnership.

Finally, I want to thank all the staff for the effort and dedication they made to achieve these results and the high level of customer satisfaction achieved during this period. Without their commitment and professionalism, none of this would have been possible.

The 2018 Isdefe Annual Report is available in the usual formats and on the dedicated portal at www.informeanualisdefe.es

Francisco Quereda Rubio
Chief Executive Officer of Isdefe



Isdefe (Ingeniería de Sistemas para la Defensa de España, S.A., S.M.E., M.P.) is a state-owned company that was created in 1985. It is part of the Ministry of Defence through the National Institute for Aerospace Technology (INTA), which owns 100% of Isdefe's share capital.

Our Mission, Vision and Values



MISSION

To support the Ministry of Defence, Public Administrations and international institutions in areas of technological and strategic interest by providing top-quality consulting and engineering services, as well as by managing, operating and maintaining space complexes



VISION

To advance as a leader in multidisciplinary consulting and engineering by developing innovative, high quality projects that are financially and socially profitable.



VALUES

Independence

We set ourselves apart by always defending the Spanish government's interests in the face of any industrial, commercial or financial factors.

Proactivity

We anticipate needs, providing innovative solutions.

Overview

We are a multidisciplinary organisation with a wide range of professionals who, combined, provide integrated coverage in the provision of their services.

Commitment

We are committed both to the public organisations we work for, to our organisation and to the rest of society through a work methodology based on ethics and professionalism.

Experience and Know-how

Our activity relies on providing knowledge developed over more than 30 years rendering services and offering efficient solutions.

Strategy, objectives and areas of action

The most relevant aspects of Isdefe's activities in 2018 focused on consolidating and enhancing Isdefe's role as the in-house provider to the Spanish government of engineering, consulting and technical assistance services. Of note are those involving Defence and Security, financial sustainability, the quality of our products and services, our international presence, research and development

and best governance and corporate responsibility practices.

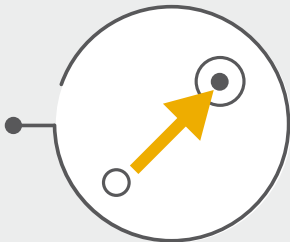
In 2018, Isdefe, as a leading provider of technical services for the Ministry of Defence and Spain's public administrations as a whole, continued to adapt its strategy in keeping with the 2017-2021 Action Plan, which features the following elements:

STRATEGIC OBJECTIVES (2018-2022)



- To ensure we satisfy the requirements as the in-house service provider of the Spanish Government
- Financial Sustainability-Balance
- Modernise Digital Management and Transformation
- Professional Development
- International Presence

STRATEGIC LINES



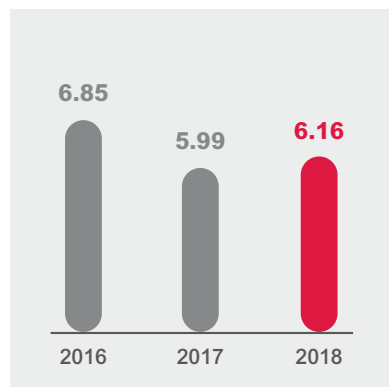
- To continue consolidating Isdefe as the in-house technology provider to the administration, particularly those related to defence and security that provide a high added value, and to analyse and evaluate its activity in areas deemed "non-instrumental".
- To further achieve financial sustainability in the short and medium term.
- To further modernise our corporate services by incorporating new technologies into our processes and follow the lines of action laid out in the Digital Transformation Plan of the Spanish Government and its public agencies.
- To develop our human resources through training, motivation, recognition and retaining public sector talent.
- To increase our participation in projects and programmes of international organisations (EU, NATO, EDA, OSCE, ESA, Eurocontrol, etc.), and especially within the framework of the European Defence Action Plan.

Our business by the numbers

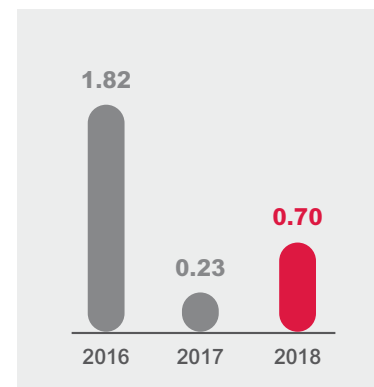
Net turnover (in millions of €)



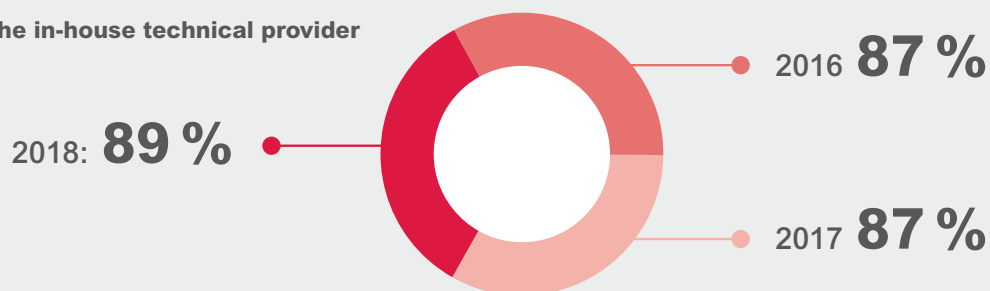
Net income (in millions of €)



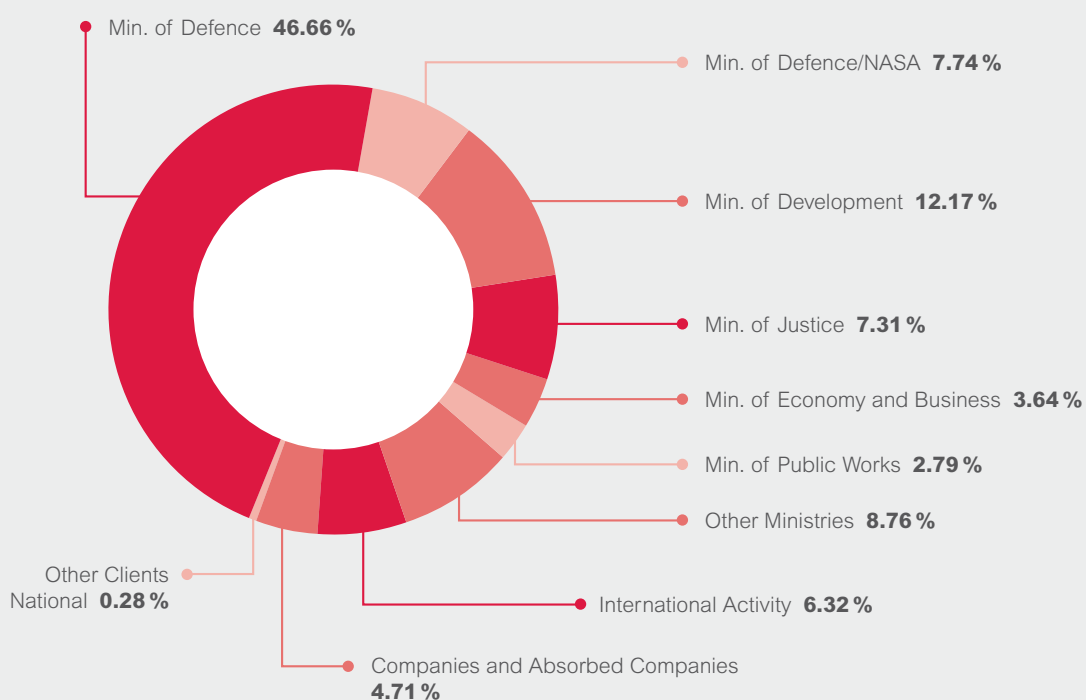
R&D projects (in millions of €)



Activity as the in-house technical provider



Isdefe activity by institution, public bodies and clients.



Where we are



We also carry out activities in other international organisations and countries, especially in Europe.

In 2018, most of Isdefe's international activity consisted of supporting the Ministry of Defence with new defence initiatives at the European level,

such as the Commission's European Defence Action Plan (EDAP) and the areas of action of the Union's Permanent Structured Cooperation (PESCO), which are designed to make it more cost efficient for member States to acquire joint capabilities, enhance the security of European citizens and promote a competitive and innovative industrial base.

Our Activity Sectors



Defence and Security Sector

Isdefe was founded with the aim of meeting demands in technology definition of advanced programmes within the Ministry of Defence and, nowadays, we are the reference in-house technical service provider for the Administration in Defence and Security, by providing technology and strategic consulting to the Ministry of Defence and Armed Forces, Ministry of Home Affairs, National Security and Police Forces and Civil Protection Bodies and international and multilateral bodies.

OUTSTANDING PROJECTS

MINISTRY OF DEFENCE Secretariat of State for Defence

General Directorate for Armament and Material (DGAM)

- Isdefe collaborates with deputy directorates in DGAM: Planning, Technology and Innovation; Inspection, Regulation and Defence Industrial Strategy; Programmes Management; International Relations and General Directorate for Armament and Material Purchase, working in several platform acquisition and maintenance programmes.
- Isdefe provides technical support to the DGAM Purchasing Programmes Offices in fields such as land programmes (Pizarro); Fixed-wing Systems programmes (Eurofighter EF2000 and second A400M); Rotary-wing Systems programmes (TIGRE combat helicopter); naval programmes (multipurpose escort frigate F-110) and new technological programmes (frigate F-110 and Wheeled Combat Vehicles 8x8).
- Collaboration from the launch of the PAZ satellite in consulting and documentation activities of the new capacity of Earth Observation Space Systems (SEOT).

Directorate for Planning, Technology and Innovation (SDGPLATIN) and Defence Staff (EMAD) / Joint Defence General Staff (EMACON)

- Participation in the planning process for national defence during its definition and implementation stages.

Systems and ICT Centre (CESTIC)

- Engineering and management support for the launch and implementation of the I3D (Defence Comprehensive Information Infrastructure).

General Directorate of Economic Affairs (DIGENECO)

- Support to the Costs Evaluation Group (GEC): Cost estimates of the life cycle of the systems and infrastructures to be purchased by the Ministry of Defence, in order to analyse programmes viability and provide valuable information for decision making.

Defence Staff (EMAD) / Cyber Defence Joint Command (MCCD)

- Engineering and technical assistance for the Cyber Defence Joint Command (MCCD) in the areas of cyber-defence, helping MCCD's plans for gaining defence, exploitation and response capacities to implement military operations in cyber-space.

Intelligence National Centre (CNI) National Cryptologic Centre (CCN)

- Support to the Certification Body of the National Cryptologic Centre for activities carried out in the framework of the National Scheme of Evaluation and Certification of ICT Security (ENECSTIC).

Army / Army's Command of Logistic Support (MALE)

- Technical services for drafting the Digital Transformation Plan (4.0) for logistic support 2035. To be highlighted the implementation of models on predictive maintenance for determining needs during the life cycle of Weaponry Systems and the proposal for implementing additive manufacturing in the Army's Command of Logistic Support.

Navy / Headship of Logistic Support (JAL)

- Maritime Action Vessel IS: analysis of the necessary costs estimates for generating its Viability Documents.
- Support to the exploitation of the Centre of Supervision and Analysis of Data of the Navy and its evolution to a model based on the application of Neuronal Networks to analyse trends having an impact in the maintenance of different units and systems.

Air force / Logistic Support Command (MALOG)

- Support for the acquisition and management of material for new weaponry systems which have been integrated into the Air Force.

National Institute for Technical Aeronautical (INTA)

- Technical support services for verification, validation, certification and tests, as well as in European Space Agency Programmes.

MINISTRY OF HOME AFFAIRS Secretariat of State for Security

Deputy General Directorate of Information and Communications

- Technical assistance in planning and management actions leading to the implementation at national level of the European system of entry and exit for border controls Entry-Exit System (EES). In a similar context, monitoring and analysis have been carried out on the regulation and technical documentation generated in the framework of the project for the future European system for travel authorisation; European Travel Information and Authorisation System (ETIAS).
- Support for managing processing and application of European Union funds addressed to home security Internal Security Fund (ISF), applicable to projects and new developments for border control.

National Centre for the Protection of Critical Infrastructures (CNPIC)

- Support in the preparation of Sectoral Strategic Plans related to the ICT and Space sectors. Consultancy services to different fundamental operators for the drafting of Operator Security Plans and Specific Protection Plans.

Secretariat of State for Security / General Directorate of Guardia Civil

- Support for the upgrading and maintenance of the Border Surveillance System (SIVE), the deployment of which extends already for more than 3,500 km around the Spanish coasts and islands.



MINISTRY OF FOREIGN AFFAIRS, EUROPEAN UNION AND COOPERATION

- Support to activities related to classified information managed by the Ministry and certification of the Ministry's information systems handling national and/or international classified information.

MINISTRY OF JUSTICE

General Secretariat of Justice Administration / General Directorate for Justice Modernisation, Technology Development and Retrieval and Management of Assets

- Technical and management support to projects on technology modernisation of Minerva, e-communications, Digital Justice and Chief Positions for the follow-up of Justice Administration and support to Ministry's participation in European Union projects for interconnecting Justice Administrations.

European Border and Coast Guard Agency (FRONTEX)

- End of the study on the purchasing and maintenance model so that the European Border and Coast Guard Agency may acquire its own air, land and naval means capacities.

European GNSS Agency (GSA)

- Support to EU GNSS Security Accreditation Board (SAB) in certification activities of the European Union satellite navigation systems.

European Space Agency (ESA)

- Technical assistance for the certification process of the new version of the Earth Control Segment of the Galileo system, in charge of following up, monitoring and controlling all the satellites of the constellation.

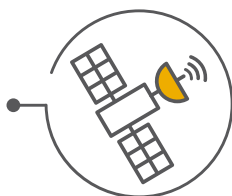
NATO / Allied Command Transformation (ACT)

- At the ACT's Cyber Operations Branch, participation in the development of the Capacities Programme by identifying operational requirements which are necessary for future NATO's capacities concerning operations in cyber space.

European Defence Agency (EDA)

- Study of the state-of-the-art of technologies and threats applicable to cyber defence with the aim of identifying and proposing projects contributing to improve military capacities in the field of cyber defence at European Union level.
- Technology prioritisation, Overarching Strategic Research Agenda (OSRA) project to determine and identify technology-related objectives of Member States and their prioritisation. OSRA makes the Agency consolidate as a key player in topics for future Defence European Funds managed by the Commission.





Space Sector

Isdefe carries out support activities in the space field and in areas such as communications, satellite navigation, Earth observation and Space Situational Awareness (SSA) for the Spanish Administration, the European Commission and several international space agencies.

Also, it carries out management, operational and maintenance activities for space communications centres and sites in Spain both for the Aerospace Technical National Institute (INTA) and the European Space Agency (ESA), and the American National Aeronautics and Space Administration (NASA).

OUTSTANDING PROJECTS

MINISTRY OF DEFENCE Secretariat of State for Defence

National Institute for Technical Aeronautical (INTA)

- Support to PAZ mission launched in February 2018 from the INTA Space Centre Torrejón (CEIT) in Torrejón.
- Operation of stations located in the Canaries Space Centre (CEC).
- Support to different activities within the Global Navigation Satellite System (GNSS) in the three Galileo infrastructures in Spain: Competent PRS Authority (CPA), GNSS Service Centre (GSC)

and Backup Galileo Security Monitoring Centre (GSMC).

Defence/ Aerospace Technical National Institute (INTA) and National Aeronautics and Space Administration (NASA)

- Operation and maintenance of the centre in Robledo de Chavela (Madrid Deep Space Communications Complex, MDSCC), focused on communications with NASA's and other space agencies spaceships in the deep space, giving daily support to more than 30 space missions, all year round.



Transport Sector

Isdefe fosters gaining of new technology capabilities, the improvement of security and the optimisation of operational procedures for bodies in charge of the regulation, surveillance and provision of transport-related services.

OUTSTANDING PROJECTS

MINISTRY OF PUBLIC WORKS

ENAIRE

- Commissioning of the new “eCOS” architecture of the Air Traffic Control Automated System (SACTA).
- Entry into service of data communications between controller and pilot (CPDLC).
- Execution of Land-Air communications projects, with VoIP technology, such as the control tower at Huesca airport and communications centres in Paracuellos, Linares and Almería.
- Implementation of the Contingencies General Plan of Air Navigation Services.
- Drafting of ENAIRE’s Innovation Management Plan and Services Programme for Drones, within the framework of the Flight Plan 2020 within ENAIRE’s Strategic Plan.
- Installation of the acquisition data system Ground Based Augmentation System (GBAS) CAT II/III in Tenerife Norte airport.
- Definition of technology solutions of the kind “Alternative-Position Navigation and Time” (A-PNT) in case of unavailability or degradation of satellite navigation services.

General Directorate for Civil Aviation (DGAC)

- Collaboration in setting out sector policies through airport strategies, air navigation and air transport, by drafting strategic studies on market evolution, public prices fixation, access to new operators and other public service obligations.
- Regulatory development of Single European Sky (SES) and its transposition to national legislation.

Aviation Safety and Security Agency (AESA)

- Support in inspection activities for monitoring the compliance with operational security regulations by air navigation service providers, airport management entities, air transport operators and aeronautical staff. Consultancy oriented to the implementation of new operation-related concepts and the study of the ongoing improvement in air security.

Civil Aviation Accident and Incident Investigation Commission (CIAIAC)

- Support to assistance tasks to the CIAIAC Plenary Session Secretary, through the analysis of severe air transit incidents, assessment and treatment of recommendations concerning security and carrying out specialised studies for accidents classification, internal procedures within the research groups and drafting of corporate reports.

AENA

- Support in managing life cycle of applications for airport operations and security both at the specifications and testing stages and that for supporting their implementation and deployment in airports within the network. The most important activities to be highlighted are:
 - Support to the Advanced Control Tower project in different airports.
 - Support in the project for airports connection Collaborative Decision Making (CDM) with the Network Manager (Eurocontrol) in order to improve predictability and accuracy in air operations.

Aviation Safety and Security Agency (AESA)

- Collaboration in the implementation of the Air Security National Programme (PNS) in every airport of the national network by carrying out audits, inspections, tests, and drills in every different airport, to supervise compliance by airport services providers of the physical security programme.





Public Administration Sector

As a result of the needs for strategic planning and management required by bodies from the State General Administration, Isdefe has designed technical support and specialised counselling services oriented to the enhancement and modernisation of public administrations, so that they can increase their capacities, efficiency and sustainability to respond to citizens' demands.

OUTSTANDING PROJECTS

MINISTRY OF DEFENCE Secretariat of State for Defence

General Directorate for Armament and Material (DGAM)

- Support to the Managing Body in defining management processes for General Management and in the maintenance of its Comprehensive Command Unit.

MINISTRY OF HOME AFFAIRS Secretariat of the Ministry of Home Affairs

General Directorate for Traffic (DGT)

- Support to the Legal Unit in drafting studies and reports on the effects of new traffic regulations and new mobility strategies and policies.

MINISTERIO DE FOMENTO Administrator of Railway Infrastructures (Adif)

- Support to the definition of its new Strategic and Transformation Plan (Transforma Plan 2020), for deploying its strategic objectives within the corporate and operational managing units through the setting out of operational objectives.

State Agencies

Aviation Safety and Security Agency (AESA), Spanish Agency of Medicines and Medical Devices (AEMPS), Spanish Agency

for International Development Cooperation (AECID) and the State Meteorological Agency (AEMET)

- Consulting and technical assistance services addressed to defining and setting up requirements for the objective-based management model until this is deployed and implemented within organisations.

MINISTRY OF HOME AFFAIRS Secretariat of State for Security

Deputy General Directorate for Information and Communications for Security (SGSICS)

- Technical support in the analysis, management and follow-up of the Digital Transformation project within the Central Services of the Deputy Secretariat of the Ministry of Home Affairs. Compilation of information on the ensemble of Services of Digital Administration.

MINISTRY OF ECONOMY AND BUSINESS Secretariat of State for Digital Progress (SEAD)

- Support to the technical department for managing the National Plan on Natural Language Technologies and in the coordination of ICT actions and projects to this respect with the European Commission.
- Support for defining, designing, implementing and operating improvements on the management and control system of public incentives to R&D&i within the ICT sector.

MINISTRY OF DEFENCE
Secretariat of State for Defence

General Directorate of Economic Affairs (DIGENECO)

- Implementation of a Model of Excellence for purchase management within public sector, based on the requirements laid down by UNE-15896 to evaluate the purchase function in public bodies in general and that of the Ministry units in particular.
- Support in the revision and implementation process of analytical accounting models based on the ensemble of activities carried out by the Ministry of Defence.

MIN. INDUSTRY, COMMERCE AND TOURISM
Secretariat of State for Commerce

- Consultancy for controlling projects funded by the Business Sector Internationalisation Fund (FIEM), allowing to meet the objectives set up by the Ministry.

MINISTRY OF FINANCE
Deputy Secretariat of Finance

General Directorate of Streamlining and Centralisation of Procurement

- Support and counselling concerning centralised procurement of electric energy and fuel in pumps supply, as well as in the process of compliance and adaptation to the General Data Protection Regulation (GDPR) and the Security National Scheme (ENS).

MIN. FOREIGN AFFAIRS, EUROPEAN UNION AND COOPERATION
Secretariat of State for International Cooperation and for Latin America and the Caribbean (SECIPIC)

- Specialised consulting in data analysis for information treatment and assessment of Official Aid for Development (AOD), as well as support in preparing information for the Spanish delegation before the OECD's Development Assistance Committee and other international forums.

MIN. FOR ECOLOGICAL TRANSITION
Secretariat of State for Energy

Institute for Energy Diversification and Saving (IDAE)

- Technical assistance for managing the ERDF operational programme "Sustainable Growth" 2014-2020. Support in managing IDAE's different actions lines, especially in its relations with the European Investment Bank (EIB) for managing aid financial instruments.

National Markets and Competency Commission (CNMC)

- Verification of results of accounting models to determine costs of services regulated in the area of telecommunications.
- Collaboration for implementing and exploiting a Costs Regulatory Information (IRC) Model for regulated activities such as electricity and natural gas transport.



Communication Technologies (ICT) Sector

In the field of the Information and Communications Technologies (ICT), Isdefe gathers an extensive experience in the provision of engineering and consultancy services for the definition of public digital and e-administration services, the planning and management of the radio spectrum, the management of the digital dividend and the reduction of the digital gap. In this area, our teams support the State Secretariat for Digital Progress (SEAD) attached to the Ministry of Economy and Business, as well as other competent bodies in matters of regulation and oversight of ICT services.

OUTSTANDING PROJECTS

MIN. ECONOMY AND BUSINESS

Secretariat of State for Digital Progress (SEAD)

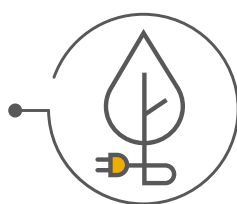
- Support to planning and management of the radio spectrum for different radio communications services in all the Spanish territory, in the following actions:
 - Planning and management of the radio spectrum for providing radio-communications services: broadcasting and wireless fixed loop, point-to-point links of land line and satellite land line services, mobile and space services.
 - Ongoing collaboration in the transformation of the terrestrial digital television, from its implementation to the assistance for the execution of frequencies migration processes (first and second Digital Dividend) for being used

by electronic mobile communications services when deploying 4G and 5G technologies, as well as support to the follow-up and execution of the 5G National Plan.

- Technical support in communications programme management and implementation such as that of New Infrastructures for fostering deployment of ultra-rapid networks and broadband infrastructures.

Spanish Radio and Television Corporation (CRTVE)

- Strategic consultancy services in the environment of technology transformation the body goes through and support to review its strategic plan for technology-related investments and in the updating of its corporate network infrastructures.



Energy Sector

Isdefe provides technical support to the greatest plans and programmes of the Administration in the matters of Energy Efficiency and Renewable Energies. Isdefe's activities in this area are carried out in the framework of the application and development of the Energy-based Security concept, as it is defined in the National Energy-based Security Strategy.

OUTSTANDING PROJECTS

MINISTRY FOR ECOLOGICAL TRANSITION

Secretariat of State for Energy

- Modelling of the energy national system through energy prospect tools to implement the Integrated National Plan on Energy and Climate (PNIEC).

Institute for Energy Diversification and Saving (IDAE)

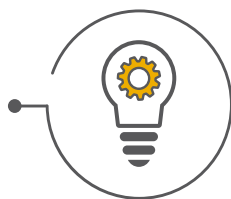
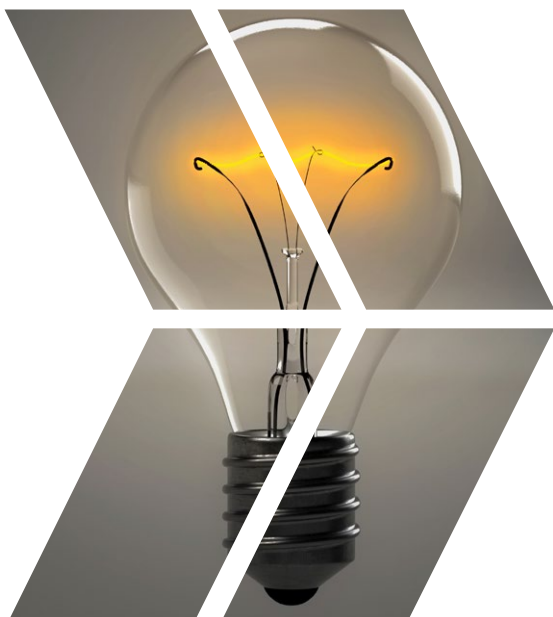
- Support to the Technical Department in the management and coordination of actions arising

fo Article 5: European Union Directive 2012/27 on "Exemplary role of public bodies' buildings".

MINISTRY OF PUBLIC WORKS

State-owned Ports and Port Authorities

- Counselling on the application of European regulations on infrastructures for alternative marine fuels, particularly Directive 2014/94/EU of the European Parliament and of the Council.
- Support in the definition of energy strategies for the Port System of General Interest.



R&D activities

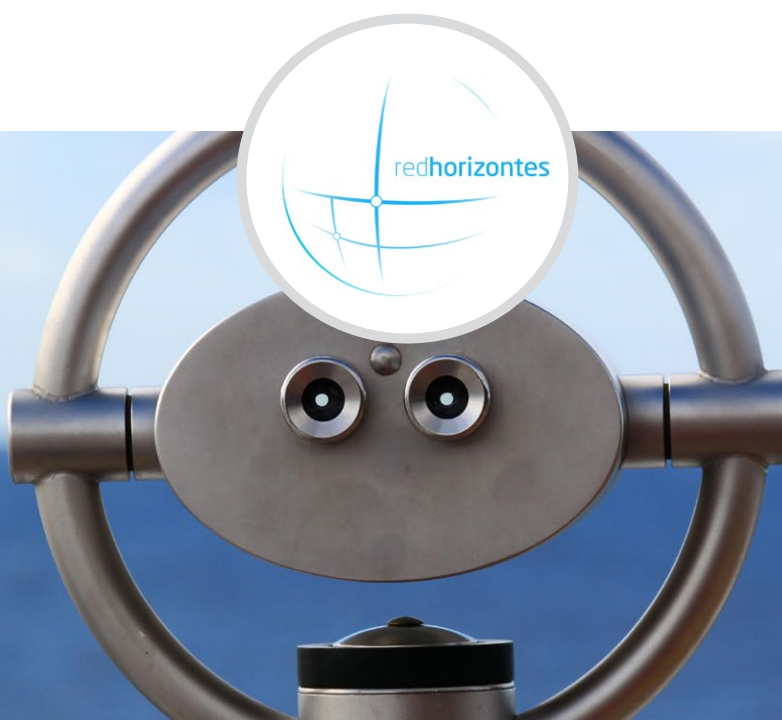
At Isdefe, innovation pursues the objectives that are inherent to its nature as the in-house service provider for the Spanish government: to create knowledge, anticipate the needs and improve the engineering and consulting services in strategic areas for the Administration, in particular in the fields of Defence and Security.

Innovation Activities:

- **Horizons Network:** provides technology and methodological monitoring and foresight services by way of a university-business collaborative model that in 2018 saw dynamisation and dissemination activities in the Network's six observatories. More information at www.redhorizontes.com


















Research and Development Activities:

- 4th edition of the programme to solicit and manage R&D Ideas.
- Isdefe collaborative projects: 7th Framework Programme, 2020 Horizons, SESAR 2020 and Preparatory Action on Defence Research.



Entities and organisations to which we provide services

Public Administrations

 GOBIERNO DE ESPAÑA	MINISTERIO DE DEFENSA	 GOBIERNO DE ESPAÑA	MINISTERIO DE TRABAJO, MIGRACIONES Y SEGURIDAD SOCIAL	 GOBIERNO DE ESPAÑA	MINISTERIO DE HACIENDA
 GOBIERNO DE ESPAÑA	MINISTERIO DE FOMENTO	 GOBIERNO DE ESPAÑA	MINISTERIO DE CIENCIA, INNOVACIÓN Y UNIVERSIDADES	 GOBIERNO DE ESPAÑA	MINISTERIO DE CULTURA Y DEPORTE
 GOBIERNO DE ESPAÑA	MINISTERIO DE JUSTICIA	 GOBIERNO DE ESPAÑA	MINISTERIO DE SANIDAD, CONSUMO Y BIENESTAR SOCIAL	 GOBIERNO DE ESPAÑA	MINISTERIO DE AGRICULTURA Y PESCA, ALIMENTACIÓN
 GOBIERNO DE ESPAÑA	MINISTERIO DE ECONOMÍA Y EMPRESA	 GOBIERNO DE ESPAÑA	MINISTERIO DE INDUSTRIA, COMERCIO Y TURISMO	 GOBIERNO DE ESPAÑA	MINISTERIO DE EDUCACIÓN Y FORMACIÓN PROFESIONAL
 GOBIERNO DE ESPAÑA	MINISTERIO DE INTERIOR	 GOBIERNO DE ESPAÑA	MINISTERIO DE ASUNTOS EXTERIORES, UNIÓN EUROPEA Y COOPERACIÓN	 GOBIERNO DE ESPAÑA	MINISTERIO DE LA PRESIDENCIA, RELACIONES CON LAS CORTES E IGUALDAD
 GOBIERNO DE ESPAÑA	MINISTERIO DE TRANSICIÓN ECOLÓGICA	 GOBIERNO DE ESPAÑA	MINISTERIO DE POLÍTICA TERRITORIAL Y FUNCIÓN PÚBLICA		

Other public organisations



Other international organisations



Multilateral organisations



Commitments to our stakeholders

Committed to our clients

In order to have our projects and endeavours recognised by the entities and organisations that we provide our services to as a leader in quality, excellence and commitment, we are determined to engage in consulting, technical assistance and systems engineering development activities in keeping with the strictest requirements, as specified in the guidelines that govern our activities.

Our Quality Management System is ISO 9001:2015 certified, and it is also PECAL/AQAP 2110 certified as per the Ministry of Defence's Quality Management System.

Committed to our employees

As of 31 December 2018, our staff consists of **1,628 people**. Of them, 92% work in Operating Units (production) and 8% in Corporate Services (administration and management services).

Women: 37.5 %



Men: 62.5 %

At Isdefe, we promote the professional and personal development of all our employees by ensuring equal opportunity and encouraging a merit-based corporate culture.

**86 % of the staff
university graduates
and engineers**

**In 2010, we received the
“Equality in the Workplace”
award, an honour that we
have earned every year
since, thanks to the hard
work we have done to
achieve effective equality.**

Career development, job security and company benefits

86 % of the staff **university graduates and engineers**

>68,000 **training hours**

€ 612,769 invested in **training**

€ 115,958 invested in **medical exams and Risk Prevention training**

21 disabled employees

€ 5,141,840 invested in **company benefits**

Committed to our providers

All of our contracting processes are subject to the principles of free access to tenders, disclosure, transparency, non-discrimination and equality in the treatment of bidders. Integrated into all of our procedures is the principle of integrity, pursuant to Law 9/2017 of 8 November, and due to our status as a Contracting Authority.

To ensure full transparency and traceability, the general principles of public contracting are included

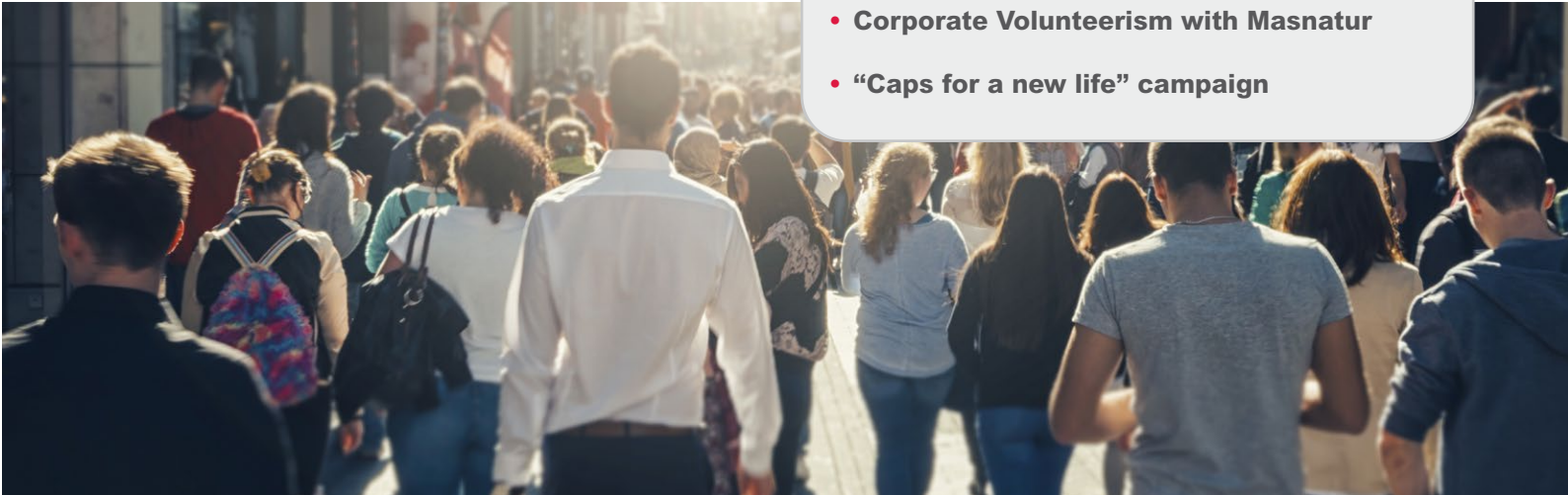
in the requirements for all of the tenders that are published in Isdefe’s contractor profile in the Public Sector Contracting Platform.
<https://contrataciondelestado.es>

Committed to society

Isdefe has a Social Action Programme whose goal is to contribute to sustainable development by promoting social activities undertaken in concert with foundations and NGOs that are in keeping with the company’s strategy and values and whose focus lies within the scope of Public Administrations, and especially in the Defence and Security sector.

NOTABLE PARTNERSHIPS IN 2018

- **Partnership with the Civil Guard Association**
- **Participation in the civilian-military race against drugs**
- **11th Charity Christmas Campaign 2018**
- **Corporate Volunteerism with Masnatur**
- **“Caps for a new life” campaign**





At Isdefe we contribute to **generating talent** through scholarships, internships and awards for research work. Of note in this area is the scholarships for recent graduates (CITIUS programme) and extracurricular internships for undergraduate and Master's programmes, as well as the prizes for the best research work.

We also engage in various alliances with prestigious organisations in the area of Corporate Social Relations in order to contribute to sustainable development. In this area, in addition to attending industry events, our memberships in Forética and the Global Compact allow Isdefe to incorporate into its activities and into its corporate strategy the 10 Universal Principles of the United Nations on Human Rights, Labour, Environment and Anti-Corruption.

Our environmental performance

Isdefe has an Environmental Policy and an Environmental Management System (EMS) that is UNE-EN-ISO 14001:2015 certified. It is renewed annually in order to ensure it is constantly and efficiently updated.

As part of our desire to constantly improve our environmental performance, in anticipation of the 2018 FY, we set out three specific goals, which had the following results:



2018 ENVIRONMENTAL OBJECTIVES

To achieve a 65 % rate in the use of recycled paper at our headquarters in Beatriz de Bobadilla (Madrid) by 31 December 2017.

Obtain a mathematical model that establishes a relationship between the consumption of primary energy and the different variables that affect the use and/or consumption of energy at the organisation.

Make Isdefe employees aware of savings practices by internally releasing information every month on energy savings and management and waste management at the organisation.



RESULTS

77.8% of all the paper consumed in 2018 was recycled (19.7% more than the target).

A mathematical model has been implemented that relates primary energy consumption with different energy use and consumption variables.

Every month, we posted information on our environmental performance (electricity, gas and water consumption and various types of waste generated) on the information screens at our headquarters.

Governance

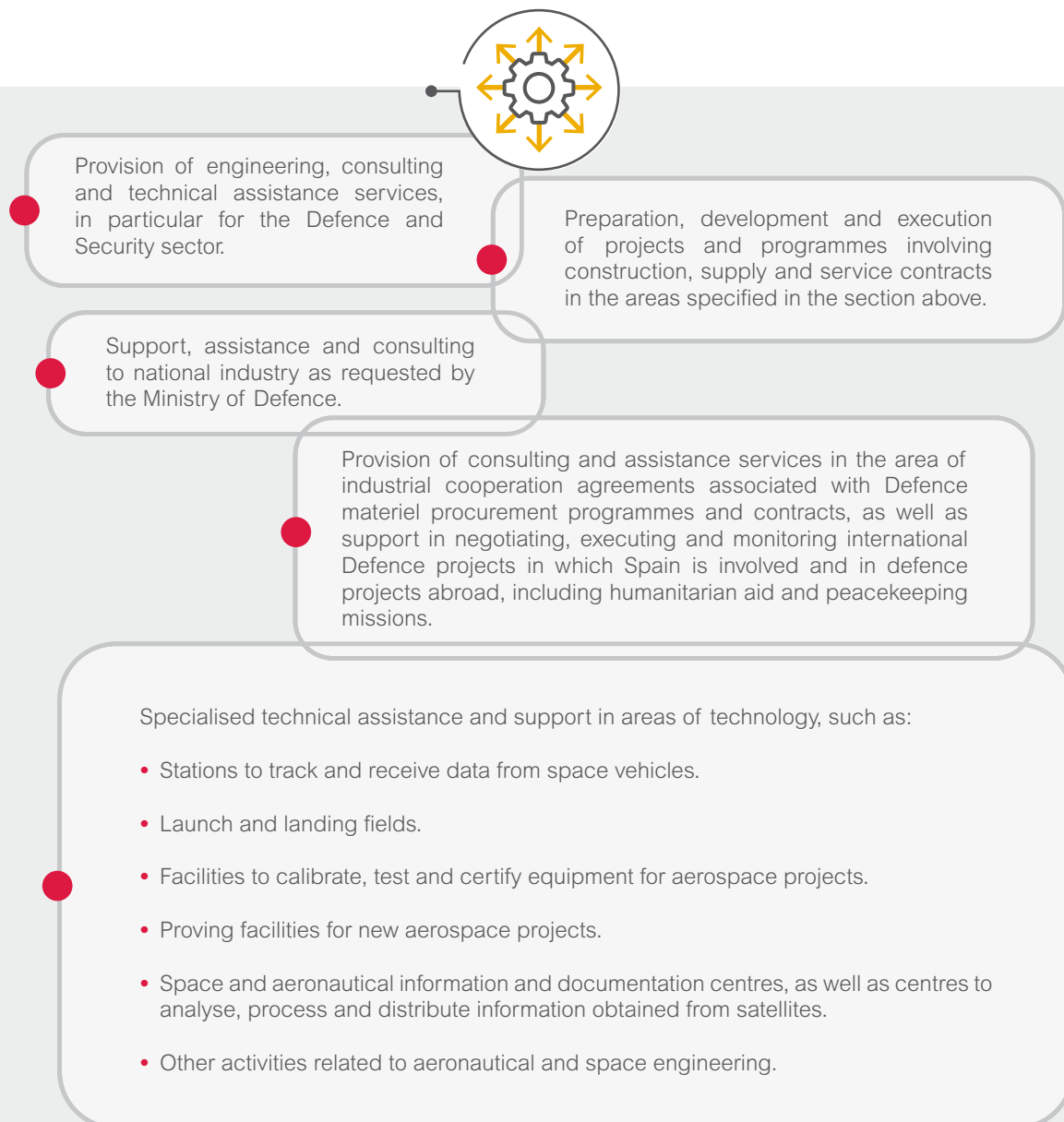
Legal nature and corporate purpose

Ingeniería de Sistemas para la Defensa de España, S.A., S.M.E., M.P.⁽¹⁾, (Isdefe, S.A., S.M.E., M.P.) is a state-owned company that is part of the national institutional public sector pursuant to articles 2 and 84 of Law 40/2015 of 1 October on the Legal System of the Public Sector. It was chartered in Madrid on

17 October 1985 by way of an agreement of the Council of Ministers on 18 September of that year.

Isdefe is a part of the Ministry of Defence. The National Institute for Aerospace Technology (INTA) owns all of Isdefe's share capital.

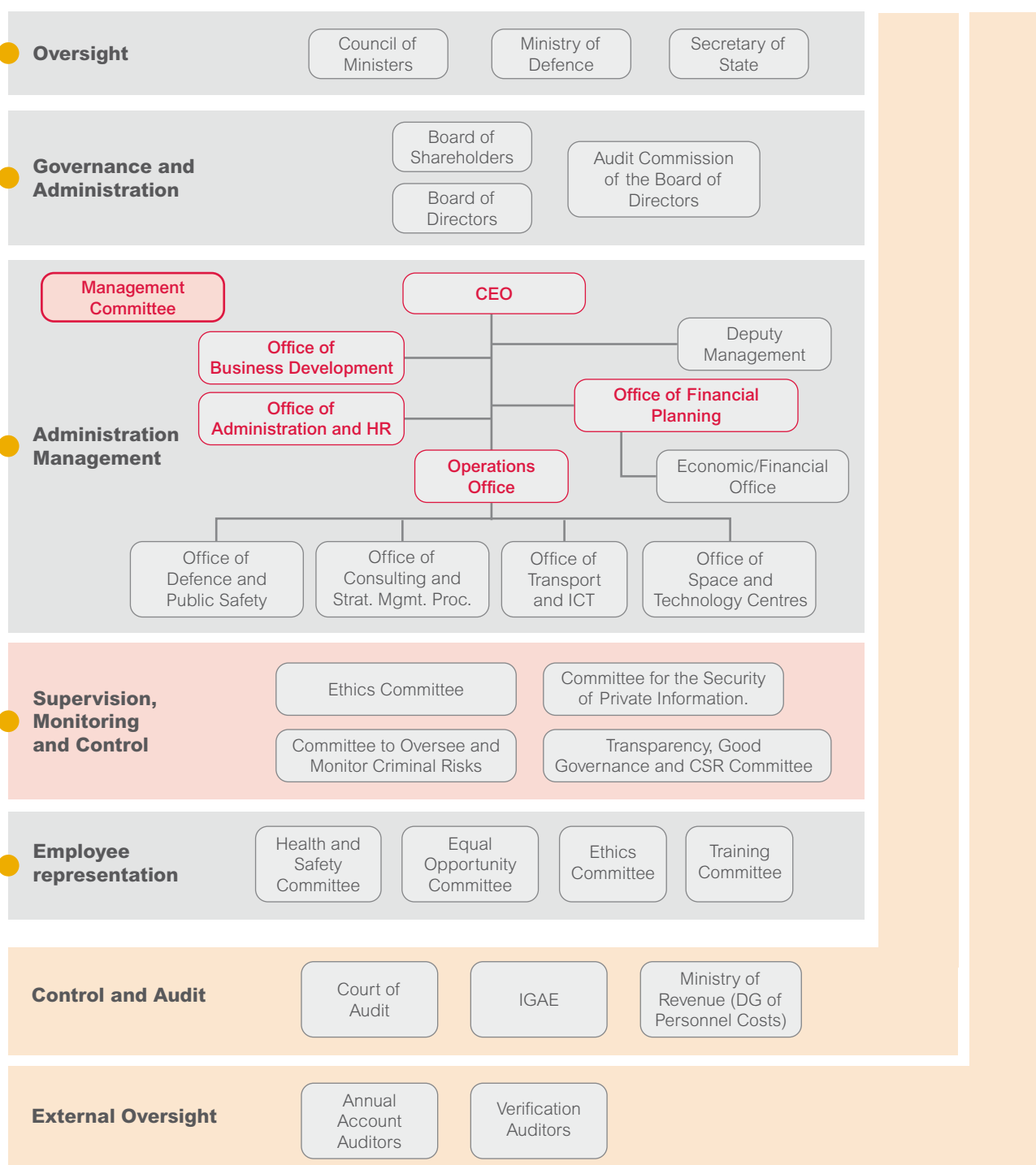
In keeping with our legal and business nature, our corporate purpose is:



(1) S.A.: Public Limited Company; S.M.E.: State-owned Commercial Company; M.P.: In-house technical service provider

Governance, administration, management, oversight and control structure

As a state-owned company, Isdefe is part of the Ministry of Defence. It is overseen by the Secretary of State for Defence, who doubles as the President of Isdefe, the Board of Shareholders and the Board of Directors.



Risks, policies and areas of action

Our policies, objectives and areas of action are determined in part by our nature as a state-owned company, and in part by the conduct of our activity. All of them represent commitments that are based on our values and operating principles, which help to turn our mission and vision into reality:

Commitment to effective risk management

- Oversight by top management.
- Principles of Security of Classified Information.
- Committee for the Security of Private Information.
- Programme to Prevent Criminal Risks.
- General Procedure to Manage Technical Risks.
- Occupational Risk Prevention.

Commitment to act responsibly

Isdefe's Code of Ethics contains the voluntary principles from leading international guidelines such as the Universal Declaration of Human Rights, the United Nations Global Compact and the OECD's Principles of Corporate Governance, which establish international values involving human rights, labour relations, the environment and anti-corruption.

Commitment to transparency

Over the course of 2018, we expanded and modernised our Transparency Portal.

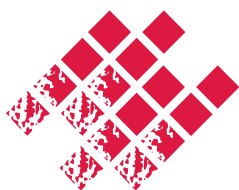
Commitment to the utmost quality

- ISO 9001 certified Quality Management System.
- ISO 14001 certified Environmental Management System.

Commitment to sustainable development: 2030 Agenda

As part of the 2030 Agenda, we contribute to sustainable development by creating and enhancing the Horizons Network. In 2018, we carried out a materiality analysis of the most relevant SDGs that we are contributing to:





Isdefe
Your best ally

www.isdefe.es

Ingeniería de Sistemas para la Defensa de España S.A., S.M.E., M.P.

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