

KRETZ

CORPORATE SOCIAL RESPONSIBILITY REPORT

Communication On Progress

Fiscal Year 2010 - 2011



CHARACTERISTICS OF THE REPORT

Part I contains KRETZ S.A.'s Chairman's continuous endorsement and support statement to the United Nations Global Compact Principles, a description of the company profile, its products and its outreach in the world.

Part II states our vision on Corporate Social Responsibility (CSR) and outlines aspects of the strategy devised for the organization.

Part III introduces the CSR Company Policy and the programs implemented, while it outlines the hands-on activities carried out during this period, showing their relationship with the Global Compact Principles and the Global Reporting Initiatives (GRI) indicators in each case.

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PART I



President's Letter



*Eng. Daniel Kretz
President Kretz s.a.*

This document is Kretz's fourth Communication on Progress to the United Nations Global Compact. The period reported corresponds to the business year 2010-2011.

Already established as the Company Social Balance, it allows us to systematically assess our activities according to social, environmental, work and transparency parameters.

During this period, we strived to provide content to our CSR Policy and Programs through activities which were aligned to the Global Compact principles, following a territorial strategy that strengthens education and knowledge.

Together with the people who make up this company, I feel we have taken significant steps forward in our development as a company that is immersed in its sphere of influence.

Such is the case with the creation, in conjunction with the National University of Rosario, of the Center for the Companies-University Connection V+ (Centro de Vinculación Universidad-Empresas V+) and the career on Specialization in the Management of Innovation and Technological Connection GTEC (Especialización en Gestión de la Innovación y la Vinculación Tecnológica GTEC), offered at the this center and of which we are members of the Advisory Board. Both initiatives aim at strengthening the articulation between the productive actors of the region and the techno-scientific system.



The release of our first cash register NUMA was another significant event, with which we entered the world of fiscal controllers and we drastically widened our influence towards stakeholders such as customers and suppliers.

The development of this new line of products implies a quantitative and qualitative leap in terms of company profile and outreach, which in the future will allow us to integrate the world of weighing and the fiscal world, and thus, to develop solutions of a higher added value.

The fiscal project comprises different stages, NUMA being the first. The equipment is currently being commercialized in Argentina and other Latin American countries. The following stages guarantee the expansion of our products and related services offer.

The Kaizen teamwork philosophy for continuous improvement is still spreading throughout the company. Two clear examples are the second series of the KRETZ QUALITY Award, which ended up with a greater participation of teams and a variety of subjects, and the CSR Kaizen team which continues to be annually renewed.

As to this new report, its greater innovation corresponds is the format change which aims at aligning it with the Global Compact criteria. In particular, we have added some indicators that were not previously reported for being considered inherent to a socially responsible way of working.

We have modified its structure so that we can more clearly present the activities carried out in each of the CSR Programs and the results achieved through GRI (Global Reporting Initiatives) indicators. We have also prepared a summary of all the GRI indicators, which refers the reader to the report page where they are detailed.

In the products section, we now highlight the actions which have a social and environmental impact.



Since we joined the Global Compact in 2007, the eight current CSR Programs have been consolidating through ongoing activities. Therefore, we have decided to keep the matrix of the impact they generate in our sphere of influence.

Our corporate philosophy, based on the values of integrity and leadership, translates into responsibility for products quality, people's development, protection of the environment full compliance with standards and progress of our community.

Finally, we are honored to communicate that the town of Pueblo Esther, where our industrial plant is located, has adhered to the Global Compact. This fact is significant, as it is the second town in Argentina to adhere to the commitment. It strengthens our link with the town and it encourages us to inspire other social actors.



Daniel Kretz
President
KRETZ s.a.



Totem situated at the entrance of the Industrial plant



Carlos Kretz, 1963

KRETZ S.A. is a limited liability company established under the laws of the Argentine Republic.

With 48 years of experience designing innovative technological solutions for the industry and commerce, KRETZ has positioned itself as the leading company in the development and commercialization of electronic scales. Our increasing presence in Latin America and our search for new markets stimulate our development of new products and the constant evolution and progress of our company.

From the beginning, we have preserved the same values of integrity and leadership in KRETZ. That is the root of our philosophy, supported by enthusiasm in teamwork, devotion for excellence, commitment with the customer, respect for the environment and passion for the development of new solutions.

The company has become one of the leading companies in the Argentine technological industry and a prominent exporter in the country.

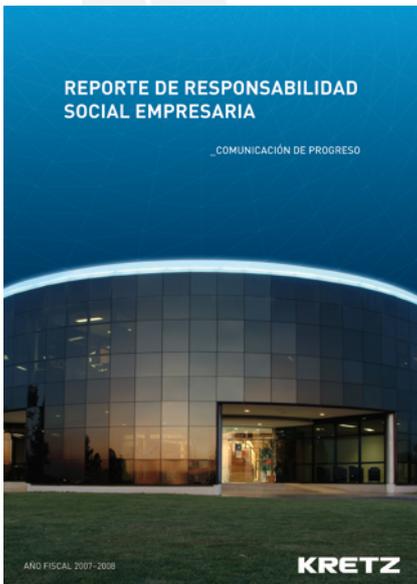
Our History

Our company was born in 1963, out of the initiative developed by Engineer Carlos Kretz.

In 1969, the company obtains the representation of Hewlett Packard for its measuring and electro-medical instruments.

The year 1981 is a milestone in the history of the company, due to the development of the first device for electronic weighing, the sector in which the company would consolidate its industrial profile.

In 1985, the first commercial scale is launched to the market and by 1996 the company reaches a prominent position in the Argentine market of electronic scales. Our capacity to grow and adapt ourselves has allowed us to maintain this leadership up to the present and achieve clear perspectives of expansion towards other segments in the technology industry.



Title page of Progress Report 2008

In 2003, there is a generational change in the company management, which since then has been in charge of the founder's son, Engineer Daniel Kretz.

In 2004, the industrial plant in Pueblo Esther is inaugurated. Located in a strategically situated 5-hectares site on the highway connecting the cities of Rosario and Buenos Aires, the 4,000m² intelligent plant has been specifically conceived to merge harmoniously with the surrounding landscape.

In 2005, with the development of a management software which integrates all KRETZ equipment, the user is able to set up the network remotely and get consolidated reports in real time.

In 2006, the first price-verifier information kiosk is released.

In November 2007, the company joined the Global Agreement of United Nations with the aim of adopting a comprehensive model to guide the business development and spread an ethical commitment.

A year later, the first Progress Report (Comunicación de Progreso, CoP) is sent to the United Nations, comprising the most important practical initiatives and actions adopted by then. This document, identified as Progress Report 2008, had the aim of organizing and systematizing future presentations. During the years 2009 and 2010, the company produces the progress reports corresponding to the periods matching the company fiscal years.

At the beginning of 2011, the new fiscal product of the company, a cash register, is introduced to the market.

This document, the fourth annual progress report with the updates of fiscal year 2010-2011, is established as the company Social Balance.

Our People

In KRETZ, we believe that excellence is only achieved through continuous training and teamwork. To accomplish this, it is crucial to create an atmosphere of harmony in the work environment, a space where the channels of communication remain open and where creativity, cooperation and responsibility guide each of our actions.

Commitment to people and the company is at the core of our values. All the members of the KRETZ team know the role they play to perfection and contribute their individual effort to achieve collective goals. The relationship with our customers is governed by the same principles. We are committed to helping them run their business by offering a courteous and friendly service and ongoing assistance.

Our commitment to product quality is reflected in the ISO 9001 certification. However, KRETZ's interest extends beyond this field, in order to show its concern about the environment, which is reflected in the ISO 14001 certification for Environmental Management, as well as in the creation of a decent and harmonious work environment, certified by the OHSAS 18001 (Occupational Health and Safety Advisory Services).

Our Design

Our mission is to help our customers run and manage their business. To achieve this, we rely on a team of professionals in the area of Research and Development that permanently work to satisfy your concerns and needs.

Kretz philosophy of design is based on a **human conception of technology**, in the search for a design oriented to enhance every person's **quality of life**, including the concepts of **inclusive design** and **sustainable design**, as well as **structural synthesis, simplicity, harmony and rationality**.



Worker from the Operations department



Worker from the Engineering department

Our Products

Our constant search for innovation, functionality and adaptability has allowed us to develop a range of products and solutions that meets the diverse needs of our different customers. Our products range from scales, fiscal controllers and custom-designed solutions for supermarkets to a wide industrial line. All KRETZ products also have an efficient after-sales service, which is also ISO 9001:2008 certified.

Our Markets

The company regularly operates in the following countries:

- Bolivia
- Colombia
- Costa Rica
- Chile
- Ecuador
- Guatemala
- México
- Panamá
- Paraguay
- Perú
- Dominican Republic
- Uruguay
- Venezuela



Worker from the Engineering department

Supermarket Series

REPORT

The Report model is a scale for registering Weight, Price and Amount due, which features a robust thermal printer. It is ideal for stores with weighing and labeling, as well as information management needs. It allows the user to optimize the management of business operations in self-service stores, retail stores, supermarkets, hypermarkets and general retailing. Its two versions, low display and pole display, can be easily adapted to the space needs of the different stores. The Report technology features network management of up to 99 scales. Its interconnection does not require any additional interfaces or network cards, as all the necessary hardware is built-in in each unit.

The network is managed through the iTegra management software, especially developed by Kretz.

Depending on the model, communication is established through the RS 232/485 protocol, TCP/IP or Wi-Fi, which gives great flexibility and helps to adapt to the customer's technology requirements.

REPORT NX

The Report NX line represents a new generation of KRETZ scales, designed to satisfy the needs of the most demanding markets as to weighing, labeling and information management. It has a greater capacity for loading products (PLU), as well as high-contrast LCD displays, and it enables the design of labels that include images and nutrition facts table.

PLURA

The Plura price verifier is designed to meet the demand of self-service and other retail stores, for real-time information related to products. It has a laser bar code scanner and a stereophonic sound-reproduction system.

PLURA MM

This version of Plura features a Tricolor screen that allows video reproduction with stereophonic sound, apart from displaying information about prices, promotions and offers. There is a Wi-Fi version which provides total flexibility for the arrangement of the consultation points.





iTegra SOFTWARE

Software developed by KRETZ in multi-platform JAVA language (it can be used with Windows, MAC OS and Linux, among other operating systems). It allows data management of all KRETZ networked equipment. Example:

Report, Report NX, "Advanced" Programmable Indicator, Plura and Numa). It offers the possibility to control access to the system by means of user access code and password. It can be adapted to the management software of each store.

COMMITMENT UPDATE

The electronics of the Report Nx and Plura lines was redesigned on the basis of superficial assembly plates, with the aim of conforming to the 2002/95/CE directive on Restriction of Hazardous Substances (RoHS) in electrical and electronic equipment. This directive seeks to restrict the use of substances which are hazardous to the environment such as lead, mercury, cadmium, chrome, PBB and PBDE.



Commercial Series

NOVEL DATA

The Novel Data and Novel Data Com models are scales for registering Weight, Price and Amount due, and can store up to 1,000 memories (Price Look Up or PLU). They meet the most usual needs such as retail selling and pre-packaging operations. They can be connected to KRETZ printers to generate receipts or bar code labels. The NOVEL DATA COM model uses the ABM-Quick management software, developed by KRETZ, to operate from the PC.

NOVEL

It is a PPI (Spanish acronym for Weight, Price, Amount) scale, ideal for use in baker's, grocer's and butcher's shops and in self-service stores, among others.

DELTA

It is a PPI (Weight, Price, Amount) scale which provides excellent features and has been designed for various applications in greengrocer's, butcher's and baker's shops, and self-service stores, among others. For counter-top use, it is very easy to operate, it is highly accurate and improves business performance.



CENIT

It is a PPI (Weight, Price, Amount) scale, but with hanging scales physical features. Ideal for stores with reduced counter space or for greengrocer's, butcher's and fishmonger's shops.

SINGLE

This model displays weight only and was developed to measure the weight of incoming goods. It is mainly used in gastronomy, post offices, ice-cream parlors, hardware stores, offices and warehouses.

ELITE

This model is aimed at the same sector as the Single model; however, its distinctive versions and features were developed to satisfy the specific demands of each type of customer. Also, it can be connected to a PC or cash register.

STYLO

This model has been designed for those customers that need to track the entry and exit of products by weight. Ideal for use in ice-cream parlors, gastronomy, hardware stores, post offices, etc. Fully manufactured in stainless steel, it comes in two versions, one with a front and rear display on a tower and the other with a front and rear display on the base. It has

features such as communication to computer, cash register, POS and printer, which make it a suitable product for points of sales.

DIXIE

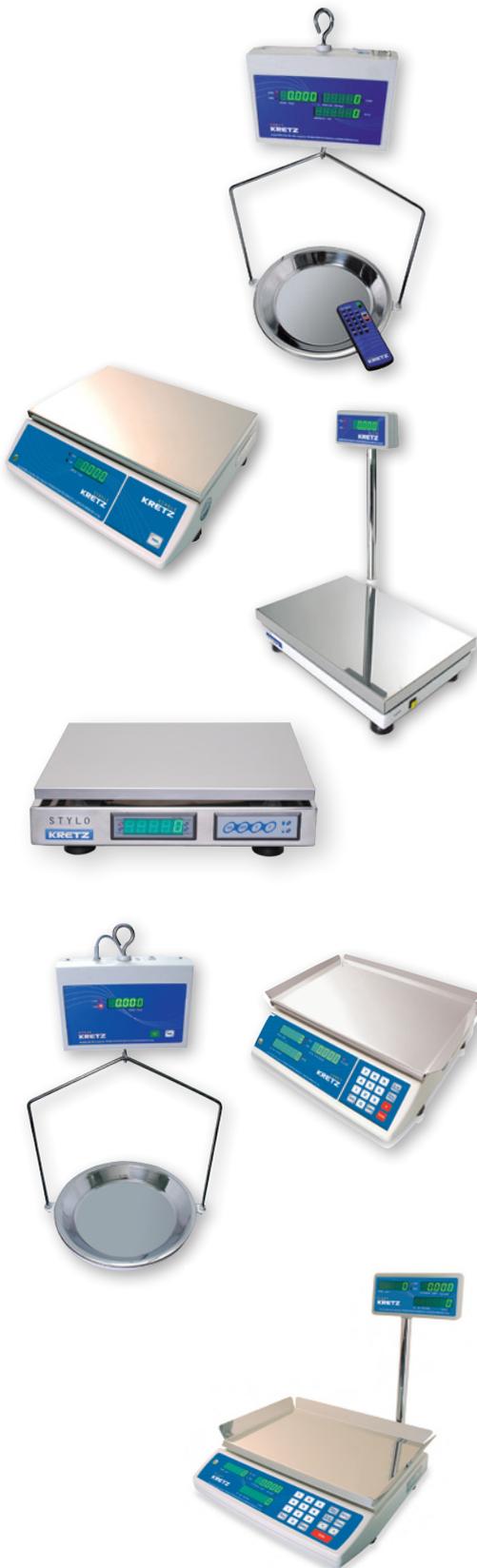
Hanging scale, ideal for those stores with no counter space and for street selling. Widely used in greengrocer's, butcher's and fishmonger's shops. It is a heavy-duty scale with electronic components that are not damaged by aggressive materials (for example: fluids and dust). It provides an shockproof and overloading protection system.

COMET

The Comet model is a counting scale. This model is very versatile and it is frequently used in hardware stores, grocer's, and to control the entry of goods. Ideal for counter-top use.

PIVOT

It is used in similar industrial sectors such as the Comet model, as it also allows the user to control the entry and counting of parts. Unlike the previous model, it has a greater weighing capacity, as well as a tower display for the customer and another one on the base for the operator. The tare feature allows the user to subtract the incidence of the packaging weight in the sample.



GALA

It is a scale for people. Ideal for use in pharmacies, gymnasiums and hospitals where precision and strength are essential. It includes an easy-to-read adjustable-tilt display.

VET

Designed for use in veterinary clinics, the Vet model is ideal to control the weight of animals and pets. It provides a large platform and a digital weight indicator to be mounted on the counter or wall.

DIXIE R

Designed to provide solutions for the meat industry. Ideal to meet the weighing needs of hanging carcasses. It comes with two displays, one for the operator, the other one for the customer, a reinforced hook, tare function, and zero and tare indicators.

RAIL MOUNTED SCALE

This model is a solution for industries which need to control weight during operation. Ideal to be used in meat-processing industries, as it helps to determine weight reductions in the deboning and freezing process. Excellent for weighing carcasses. Designed to endure hostile environments.

INDICATOR 5640

Weight indicator used to implement electronic scales or conversion kits. It provides an ABS cabinet with adjustable tilt and base for table, wall or column mount. It has zero, tare and print keys and indicators. The maximum capacity and minimum division are programmable. It has an RS-232 serial communication port outlet.

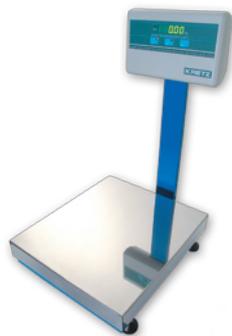
INDICATOR 5660

Weight indicator with watertight stainless steel cabinet. It has zero, tare and print keys and indicators. Its maximum capacity and minimum division are programmable. It shows the number of weighments and accumulated total weight. It has an RS-232 serial communication port outlet.

"ADVANCED" PROGRAMMABLE INDICATOR

It has a 6-digit weight display and a 10-character alphanumeric display. It allows the user to manage up to 5,000 memories (PLU) and 99 operators. It has an RS-232/ RS-485 serial communication port compatible with Kretz scales and an outlet for Mara and Koala printers.





MINI MASTER | MASTER

Counter-top scale featuring an indicator with adjustable viewing angle mounted on a tower. It has zero, tare and printing keys and zero, tare and movement indicators.

It has an RS-232 serial communication port outlet for connecting to KRETZ computers or printers. The stainless steel platform is 520 x 440 mm. We offer an optional bag holder.



TRANSPARENT BUSINESSES

The non- automatic weighing instruments for commercial use are governed by Law 19511 of 1972, and the 2003 Decree 788 and Resolutions 48 and 49 of Legal Metrology; and they must comply with the metrological and technical regulations of the SCyNEI No. 2307 Resolution.

All weighing equipment commercialized in Argentina by KRETZ is approved by the National Office of Legal Metrology. Furthermore, the company quality system is audited annually by the National Institute for Industrial Technology (Instituto Nacional de Tecnología Industrial, INTI). All this ensures users and consumers have weighing instruments that guarantee transparent commercial transactions and, thus, avoid any possible corrupt practices.



Printers Series

MARA

Alphanumeric thermal printer with bar code to connect to scales.

labels to connect to Novel and Novel Data scales.



MARA PC

Alphanumeric thermal printer with bar code to connect to computers.

KOALA PC

Alphanumeric thermal receipts printer for continuous paper. To connect to Novel, Novel Data and Cenit.



PANDA

Matrix printer for self-adhesive



Fiscal Series

NUMA

This model marks the beginning of KRETZ offer to the fiscal world.

The equipment was designed to enter the highest segment in the fiscal controllers market. Developed entirely in the company following international standards, this first cash register is added to the offer of KRETZ solutions to the business.

It allows the user to manage up to 100 departments and 35,000 memories (PLU). It has 20 direct keys associated to departments and memories, and it can issue total or partial reports daily or periodically.

It has an electronic identification system with Chip Cards, a graphic LCD display and another one for

the customer with blue LEDs of great visibility.

It has a robust keyboard with individual keys as well as a matrix printer.

As an innovation, the equipment has ultraviolet LEDs for detecting counterfeit banknotes.

Furthermore, its self-threading paper system and its easy-to-open lid make roll replacement easy.

NUMA is commercialized with a metallic compartment for the money and the iTegra management software.

CARE FOR THE ENVIRONMENT

The electronics of the new Numa series was designed with superficial mounting technology, in compliance with standard 2002/95/CE concerning the Restriction of Hazardous Substances (RoHS) in electrical and electronic devices. Such restriction seeks to limit the use of substances which are hazardous to the environment such as lead, mercury, cadmium, chrome, PBB and PBDE.



LAW ENFORCEMENT

In Argentina, the use of approved fiscal controllers allows users to have a fast and intuitive way of performing commercial transactions pursuant to Tax Procedure Act No. 11683 (T.O. 1998). NUMA was approved by the Federal Administration of Public Revenue (Asociación Federal de Ingresos Públicos, AFIP) pursuant to Standard RG 259, according to General Resolution No. 2992/2010.



Analytical and Laboratory Series

With the aim of complementing and widening the range of products offered, and thanks to the knowledge of the market and the good reputation the company has in the weighing sector, KRETZ S.A. has gained the representation of analytical and laboratory scales of the SHIMADZU CORPORATION from Japan.

This wide line of products is aimed at highly segmented markets such as pharmaceutical and medical laboratories, food quality assurance, agro-industry and industrial processes in general, among others.



SAFETY

All the products are certified by the Argentine Standards and Certification Institute (Instituto Argentino de Normalización y Certificación, IRAM) pursuant to Resolution No. 92/98 which states that all low-voltage electrical equipment commercialized in Argentina has to comply with essential safety requirements.





FUTURE GENERATIONS

The packaging of all KRETZ products is carried out with 100% recyclable material.

In this way, the positive impact we intend to exert with our products at the commercial level, offering innovative solutions to our customers, combines with our care for the environment.

From the design of our products and packaging to the choice of the materials used and the productive processes performed, we always intend to preserve the environment, which translates into an improvement of our quality of life and that of the future generations.



Countries where Kretz has operations

INDUSTRIAL PLANT

- > Located on the Buenos Aires- Rosario Highway
- > 13 acre parcel with 92% forested area
- > 40,900 sq. ft. smart energy-efficient building
- > Waste-recycling program

SANTA FE PROVINCE

- > 75% suppliers from the Province of Santa Fe
- > Participation in the Rosario Strategic Planning

ARGENTINA

- > 1000 active customers
- > 45% market share
- > National network of distributors
- > Products approved by the Argentine state

LATIN AMERICA

- > Growth rate of 315%
- > USD 33,000 value per exported ton
- > Leading exporter of Scales and Cash Registers in Argentina

WORLD

- > Adherence to the United Nations Global Compact
- > ISO 9001 / ISO 14001 / OHSAS 18001 certifications
- > SAP/R3 Management System
- > International accounting audit (HORWATH)

KRETZ S.A. has received the following awards, which encourage us to constantly seek new challenges.

- “Honorable Mention to Competitiveness 2004”, granted by Fundación Mediterránea.
- “Smoke-Free Company” recognition, granted by the Municipality of Rosario.
- “Santa Fe Exports 2007” (Santa Fe Exporta 2007) award, granted by the Province of Santa Fe Administration.
- Índice 2007 Award for “Technological Company of the Year”.
- Índice 2008 Award to the “Small and Medium-Sized Business of the Year (PYME del Año)” (both granted by the PuntoBiz specialist magazine, through the vote of companies from Rosario and the Central Region of the Country).
- Company chosen by the UNDP (United Nations Development Program) as case study for the first edition of the publication entitled Contributions for Human Development (Aportes para el Desarrollo Humano) in Argentina.
- 2011 FePI Recognition (Advertising Festival of the Interior) for “KRETZ Website” in the Interactive sector.

PART II



How do we understand CSR at Kretz?

In KRETZ, we believe that our Corporate Social Responsibility is part of a **new conception of the company and society**, promoted by the spread of good practices.

The company is not seen as an isolated actor, but rather as being part of networks of cooperation and competence, trust and social capital with their sphere of influence. Thus, the company becomes a **social change agent** operating under the belief that the value of an action is not measured exclusively by its material results, but by its adherence to key principles such as social justice and human dignity.

Furthermore, in KRETZ we believe that CSR responds to another concept regarding the development of societies. The development dilemma is precisely being able to make the **economic efficiency, social equity and environmental balance** merge into the right strategies and policies and complement one another. But this is only possible if we add a fourth dimension, Ethics. No development is possible unless it is based on the ethical conception that competitiveness is only valid if achieved with social and environmental responsibility.

Thus, CSR is a constituent element of the company activity and not a collateral action. It is embedded in all its operation system to also assure that the customer understands it as a distinctive feature at the time of buying a product.

We understand that this interpretation is clearly compatible with the Global Compact principles. Moreover, we are nurtured by these principles and they guide our actions. Thus, for some years, KRETZ has been carrying out a series of actions aimed at improving its relationships with all the stakeholders: employees, customers, suppliers, shareholders, users, the community where the company interacts, its institutions and governments. Those actions have developed into a Corporate Social Responsibility Policy, which arises from the company philosophy itself and enriches each one of the parties.

CSR as company philosophy

At KRETZ, we believe that the CSR is a way of building a company. The United Nations Global Compact principles guide our deepest strategies.

We always aim our efforts towards the search of technological solutions. Over the past years, we have defined ourselves as an organization whose main mission is to help people run and manage their businesses. This means the human being should be considered as an axis around which all decisions are made. In that respect, we develop our work philosophy, which involves a way of understanding the design of our products, of organizing ourselves, of managing the company, and with the same logic, of planning the future.

Guided by our company conception, we try to focus on the people interacting with the environment, the community surrounding them and the place they belong to. Thus, we can commit ourselves to sustainable actions which will improve the quality of life in our sphere of influence. Because CSR is not marketing or welfarism, it is a company philosophy.

Our Vision

“To be recognized internationally for designing innovative technological solutions, supported by the excellence of our people”.

Our Mission

“To help our customers run and manage their businesses”.

Our Values

KRETZ intends to foster an enjoyable working environment, openness in the face of change and, above all, commitment to the company, its goals and its people. Furthermore, we seek to maintain open communication channels to enhance this environment and to facilitate the flow of relevant information.



The company strength is based on two cornerstones: Integrity and Leadership. From these core values derive the values or principles that rule our life:

Integrity

- Behaving ethically and responsibly
- Encouraging and exercising solidarity and cooperation
- Establishing new internal and external relations on the basis of trust, honesty and respect
- Keeping our promises
- Recognizing other people's initiatives and achievements

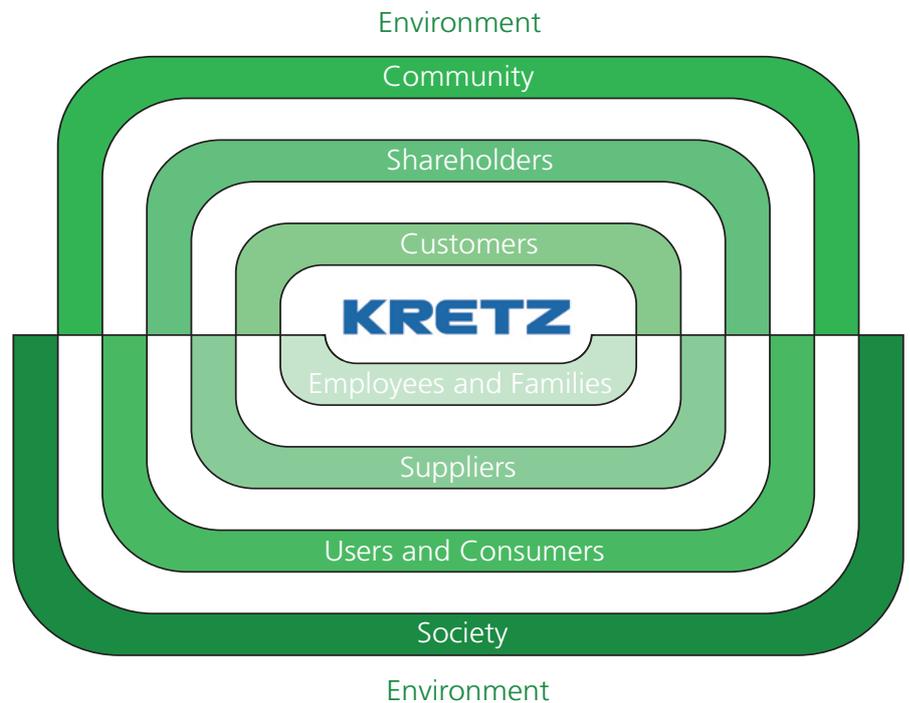
Leadership

- Feeling involved with the company and its people
- Committing to the company's goals and objectives
- Feeling the company as our own
- Contributing our individual effort to achieve collective goals

This model has been designed to meet the company's specific needs, to increase its value and outcomes. It is also a key aspect for individual development, since it directs the efforts of employees toward the expected work performance.

However, it also applies to all stakeholders: employees and their families, customers, suppliers, shareholders, users, the community where the company interacts, its representative institutions and administration, and the governments.

This universe constitutes our "sphere of influence". Logically, this influence prevails among the parties who are directly linked to the company operations, the workplace and the market, then, in the supply chain, weakening in our interaction with the community and its institutions and in our participation in public policies.



CSR Through Our Products and Processes

KRETZ CSR culture is evident from the first stages of our product design to the interaction experienced by the users and the impact the products have on the environment. Through our own **design philosophy** we have established a concept that guides the research and development of all the new products and solutions.

Our design philosophy is supported by a concept that helps to communicate the company spirit and be coherent in all the line of products.

The leading idea is inspired by the **human genome**, which we consider the most representative and innovative scientific revolution of our times and marks the beginning of a new era, a new paradigm. Using it as inspiration for design, we seek to exceed the coldness inherent in the technological universe, providing a human element to our new line of products.

Combining **functionality and aesthetics**, each product responds to an organic conception of technology, where the objects that surround us act as a projection



of the human body.

Another of KRETZ main policies is the standardization of processes to ensure a constant level of **customer satisfaction**. To such aim, we are committed to management, quality, care for the environment and occupational safety to guarantee the sustainability of the organization and its stakeholders.

PART III





The KRETZ CSR Policy is based on three main cornerstones:

- **Quality**, as the basis of the company competitiveness.
- **Knowledge**, as the basis of ongoing innovation.
- **Commitment**, as the basis of ethics, integrity and leadership.

We believe that the combination of these three dimensions is the basis of our company responsibility: responsibility towards customers and consumers by providing them with quality products; responsibility towards progress by adding value through constant innovation; and responsibility towards stakeholders by performing our activity on the basis of values.

Therefore, the goals of our CSR policy are:

- To consolidate dependable relations within the company and between the company and stakeholders.
- To encourage actions which include a wide scope of social, institutional and environmental goals (supplementary to the company financial goals) as key components of a comprehensive company model.
- To promote education and innovation as key cornerstones to develop as a “knowledge-intensive” company.
- To contribute to society’s overall cultural change, through the promotion and dissemination of technological and organizational excellence.

In November 2007, KRETZ endorsed the United Nations Global Compact, a voluntary network of organizations, agencies, trade unions and non-governmental organizations which embrace the 10 universal principles.

These principles are based on the United Nations Universal Declaration of Human Rights, the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration on Environment and Development of the United Nations Environment Program, with the enrichment of the initiative participants themselves.



The following are the activities performed in each of the different programs.

In each case, there is a description of the object of the program, the principles of the Global Compact with which it contributes, the starting date, the interest groups involved, the concrete actions performed during this period and the possible impacts that they can exert.

Afterwards, the results obtained are shown through GRI (Global Reporting Initiatives) indicators.

References

- EC: economic aspects
- EN: environment
- LA: labor practices
- HR: human rights
- SO: society
- PR: product responsibility

The impact matrix generated by the 8 (eight) CSR Programs in our sphere of influence is presented.

Finally, there is a presentation of those GRI indicators which do not have a direct association with the CSR Programs and a summary of all the indicators.

Activities Performed

KRETZ CULTURE



2011 CSR Kaizen



Workers from the Administration and Finance department



Quality Award 2010

This program seeks to consolidate values and improve the social environment in the company. Its aim is to enjoy work and promote interaction. The KAIZEN philosophy was adopted as an instrument to favor integration and awareness of the importance of each person's role in the organization.

Thus, we align to principles 1, 2 and 10 of the Global Compact.

Starting date: 2004

Interest groups involved: shareholders, employees, suppliers, customers, employee's family members and local community.

Actions:

In August, on the occasion of friendship day, we organized an afternoon snack with all the people who make up the company and we exchanged presents as part of the **"invisible friend"** game. The aim of the event was to devote time to reflect upon the other person by exploring their preferences or inquiring about them, situation which enables us to know each other better.

Family Day was celebrated on 6th. November, when all the people related to the company and their families spent an enjoyable recreational day at the industrial plant. This enables people to know the company, the workplace and the other people's families better. A musical band made up of employees played some music and there were recreational activities and games for the little ones. 232 people attended this party.

In December, we celebrated the 47th birthday of the company. We organized a costume party and a snack. We invited suppliers and external counselors.

In the month of November 2010, we closed the second series of the **KRETZ Quality Award**. In the company, we have adopted a work methodology based on the KAIZEN philosophy (KAI= change, ZEN= good), which we understand as ongoing improvement through teamwork. The aim of the award it to give

Activities Performed



Family Day 2010



Family Day 2010



End-of-Year Party 2010

relevance and spread the KAIZEN philosophy.

In this opportunity there were 4 teams made up of 5 people and an instructor each. The members came from different areas, one of the teams was made up of employees from the KRETZ offices in Guadalajara, Mexico. Each group presented their improvement proposal, related either to quality or cost reduction, which they elaborated throughout the year, always during the working hours. A jury chooses the best proposal, which is granted the award and implemented, although generally, all of them end up being put into practice. Furthermore, the KAIZEN philosophy proposes that once the work is finished and the aim is achieved, the group can be dissolved.

In March 2011, the CSR KAIZEN, made up of 12 people, was renewed. We believe that, as the CSR is not a company department with a manager and a budget, but rather a conception transversal to the organization, the ideal work methodology for its management is the KAIZEN philosophy.

The teams are renewed annually and they are made up of people from different areas in the company. Thus, it is easier to transfer and handle concerns and initiatives that arise from the members of the organization.

Furthermore, this allows every person to participate at a given time, which in the long run will make the company behave as a single KAIZEN and all the people will be able to live according to the CSR expectations.

Possible Impacts:

- Integration of families to the work field.
- Comprehensive understanding of the organization's operation.
- Spread of the Global Compact principles

RELEVANT GRI INDICATORS	KRETZ INTERNAL INDICATOR	10th July	11th July	LEVEL OF INTERNAL ACCEPTANCE
LA6 Percentage of the total workforce represented by formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.		9,50%	6,59%	

DECENT EMPLOYMENT



Starting date: 2004

Interest groups involved: shareholders, staff, suppliers and customers.



Maternity Leave



Immunization Campaign

Decent Employment is a program aimed at promoting working conditions within the company that create a decent and stimulating work environment, promote access to information and freedom of association, and guarantee worker's health and safety. At KRETZ we are convinced that quality in the workplace translates into quality at the level of products as well as all the organization.

With this program, we endorse principles 1, 3, 4, 5 and 6 of the Global Compact.

Actions:

Pursuant to Provincial Law 12,913, a **Health, Hygiene and Working Safety Committee** was formed.

Furthermore, we count on ongoing counseling on this matter, as we seek to preserve our workers' health.

With the same objective in mind, we have decided to hire a **catering** service that looks into the key features of good nutrition: complete, varied, sufficient and balanced. All aspects of foods are controlled to ensure they provide the necessary nutrients and are low in fat, cholesterol and sodium. Nutrition at work is a shared responsibility. Our duty is to encourage a change of bad eating habits and to offer easy access to healthy food.

In June 2011, we conducted another flu **immunization** campaign.

We continue to grant extended maternity and paternity **leaves**.

The company offers **transport** service to the industrial plant in Pueblo Esther for all the staff.

Activities Performed

Possible Impacts:

- Improvement in people's health
- Reduced absenteeism

RELEVANT GRI INDICATORS	KRETZ INTERNAL INDICATOR	10th July	11th July	LEVEL OF INTERNAL ACCEPTANCE
LA4 - Percentage of employees covered by collective bargaining agreement.	Employees under agreement over the total number of employees	42,11%	43,33%	
LA8 - Current education, training, orientation, prevention and risk-control programs to assist the staff, their families or members of the community regarding serious diseases	Work garments and uniforms	\$ 52.873	\$ 13.501	
	Staff transportation	\$ 416.353	\$ 348.331	
	Implementation of ergonomic elements	\$ 7.343	0	
	Food provision to staff	\$ 308.000	\$ 390.393	
LA5 - Minimum notice period regarding operational changes, including whether they are specified in the collective bargaining agreements.	Minimum notice period(s) regarding operational changes, including whether they are specified in the collective bargaining agreements.	2 months	2 months	
LA7 - Work-related injuries and illnesses, lost days and absenteeism and total number of work-related fatal victims, by region	Lost days	8	58	
	Minor accidents	2	2	
	Serious accidents	0	0	

INTEGRATED MANAGEMENT SYSTEM



Starting date: 2004

Interest groups involved: senior management, employees, external counselors, official regulatory and control agencies, suppliers, customers.

It is a program that seeks to create the necessary conditions for continuous improvement in the productive, managerial, organizational and relational processes within the company.

Thus, the company complies mainly with principles 4 to 10 of the Global Compact.



Arrangement of workstations



Mural with Certifications

Actions:

The SILOG (Systematization and Logics) project, which defines the procedure for the development of new products, was carried out as part of an improvement in the area of technology. It proposes the participation of all areas of the company and the organization of a specific KAIZEN. The project outlines the different developmental stages, decision-making and documentation, as well as the cost and time controls and the scope of the project.

Once the SILOG is finished, it will be used as a model to replicate it in the remaining areas of the company.

We have started a plan to integrate the Integrated Management System (Sistema Integrado de Gestión, SIG) to the computer system that links all the company activities (SAP).

We have started a systematic review and organization of all the SIG documentation.

The ISO 9001, ISO 14001 and OHSAS 18001 **certifications** were maintained, and audits and metrologic quality controls were carried out by the INTI while electrical safety controls were carried out by the IRAM.

The internal **training and audits** plan continued to be carried out as usual.

INTEGRATED MANAGEMENT SYSTEM – COMMITMENTS UNDERTAKEN				
	Standard or legal instrument	Certification Authority	Subject	Detail
International	ISO 9001:2000	Bureau Veritas	Quality Management System	It grants national and international recognition by reducing complaints and claims through process standardization and continuous improvement.
	ISO 14001:2004	Bureau Veritas	Environmental Management System	It optimizes processes and identifies any potential environmental impact through preventive decision-making and the integration of staff in a common project of environmental care. It facilitates proper waste management.
	OSHAS 18001:2007	Bureau Veritas	Occupational Health and Safety Management System	It minimizes risk for employees, facilities and others. Provides greater compliance control with legal requirements.
	GLOBAL COMPACT	United Nations	Corporate Social Responsibility and Commitment to Fight Against Corruption	It generates and spreads an ethical commitment ensuring legal compliance for all stakeholders worldwide.
	RN 92/98	IRAM	Electrical Safety by Trademark	It includes all the company products. Every product undergoes an electrical safety obligatory control and can only be sold if they are approved.
National	DN 788/03	INTI	Product Certification	All the weighing equipment must undergo a series of metrology tests stipulated by the Industry and Commerce Department.

Possible Impacts:

- Quality improvement of the production processes, which results in the quality improvement of the final product
- Commitment to people's health and safety

RELEVANT GRI INDICATORS	KRETZ INTERNAL INDICATOR	10th July	11th July	LEVEL OF INTERNAL ACCEPTANCE
LA 12- Percentage of employees who are periodically assessed in terms of performance and professional development.		0	100%	

INTENSIVE KNOWLEDGE



Training sessions at Industrial Plant



Starting date: 2005

Interest groups involved: senior management, employees, and educational institutions.

Training gives our staff the opportunity of acquiring higher knowledge, abilities and skills, which improve their performance and allow them to be successful at work and in life.

This program aims at consolidating a company based on knowledge and innovation as a competitive variable, and it allows us to comply with principles 1 and 9 of the Global Compact.

Actions:

In October and November 2012, we offered training on defensive driving techniques for people who move around by car and for our transport service drivers. There were two training levels: basic and advanced.

All the staff were given **performance evaluations**.

We continued offering induction training on Culture, Safety and Hygiene at Work, Integrated Management System and 5S.

We also continued offering training for SIG **internal auditors**.

Besides, we granted 90-day special **leaves** to two women employees. In one of the cases, the leave was granted for the employee to pursue postgraduate studies abroad, in the other, for the employee to get her first degree.

To guarantee the correct use of the **defibrillator** located at the Pueblo Esther plant, we offered further training on its use.

Activities Performed

Lastly, we started a round of English-immersion lunches to reinforce the command of this language.

Possible Impacts:

- Reduced absenteeism
- Reduced staff turnover
- Improvement of the person's knowledge
- Reduced accident rate
- People's change of attitudes and behavior
- Increased professional development and employability

RELEVANT GRI INDICATORS	KRETZ INTERNAL INDICATOR	10th July	11th July	LEVEL OF INTERNAL ACCEPTANCE
LA 10 - Average hours of training per year and per person	Average hours of training per year	14,12	19	😊

SUSTAINABLE COMPANY



Waste classification



Wind Power Project



Visitors Planting Trees



Irrigation of Industrial Plant Park

Starting date: 2004

This program aims at promoting a culture of environmental responsibility, fostering education and awareness, as well as managing the impact on the environment and life cycle of products since their design.

We seek to meet the needs of our customers without compromising the welfare of future generations. Thus, we align to principles 7, 8 and 9 of the Global Compact.

Actions:

This year's greatest challenge is to start exploring the possibility of using non-polluting **alternative energy sources**. Therefore, in January 2011 we started working on the construction of a 1,000 Watts air generator. We set up a 12-people KAIZEN work team and the project keeps moving forward.

On the other hand, we continue with the **recycling** of waste (classification and recycling of aluminum, stainless steel, carbon steel, copper, plastics, paper and cardboard) and the recycling of batteries, the hazardous waste destruction campaign and the sterilization of pathogenic waste.

Our paper-use reduction policy is still valid through the **digitalization** of documents.

Besides, within the company's forestation plan which was started in 2004, we planted 64 new trees of different species. We also planted yerba mate and tea which a customer from Misiones gave us as a present.

Possible Impacts:

- Foster environmental awareness
- Energy saving
- Reduction of environmental pollution

Activities Performed

RELEVANT GRI INDICATORS	KRETZ INTERNAL INDICATOR	10th July	11th July	LEVEL OF INTERNAL ACCEPTANCE
EN1 - Materials used by weight or volume (Kg).	Aluminium	37103	30717	☹️
	Cardboard	30651	27069	☹️
	Plastic	38732	35117	☹️
	Electronics	63417	56651	☹️
EN2 - Percentage of recycled materials used as supplies.	Cardboard	735	572	☹️
	Plastic	60	85	😊
	Metals	109	0	😊
	Hazardous waste	2	8	😊
	Batteries	11	5	😊
EN3 - Direct energy consumption from primary source.	Direct energy consumption from primary source.	S/D	S/D	☹️
EN4 - Indirect energy consumption from primary source.	Indirect energy consumption from primary source.	S/D	S/D	☹️
EN5 - Energy saved due to improvements in conservation and efficiency.	Electric power	0	0	☹️
EN8 - Total water withdrawal, by sources.	Total water withdrawal	900m / year(Approx)	900m / year(Approx)	😊
EN11 - Location and size of land owned, leased, operated, or adjacent to protected areas as well to other areas of high biodiversity value.	Location and size of land owned, leased, operated, or adjacent to protected areas as well to other areas of high biodiversity value.	S/D	S/D	☹️
EN12 - Description of significant impacts of activities, products and services on biodiversity in both protected areas and in other areas of high biodiversity value	Description of significant impacts of activities, products and services on biodiversity in both protected areas and in other areas of high biodiversity value	S/D	S/D	☹️
EN14	Percentage of forestation	92%	92%	😊
EN16 - Total direct and indirect greenhouse gas emissions, by weight.	Total direct and indirect greenhouse gas emissions, by weight.	S/D	S/D	☹️

Activities Performed

EN17 - Other indirect greenhouse gas emissions, by weight.	Other indirect greenhouse gas emissions, by weight.	S/D	S/D	☹️
EN19 - Emissions of substances that damage the ozone layer, by weight.	Emissions of substances that damage the ozone layer, by weight.	S/D	S/D	☹️
EN20 - NOx, SOx and other significant emissions that affect the air, by type and weight.	NO, SO and other significant emissions that affect the air, by type and weight.	S/D	S/D	☹️
EN21 - Total wastewater discharge, by nature and destination.	Total wastewater discharge, by nature and destination.	S/D	S/D	☹️
EN22	Urban solid waste (Kg per year)	7200 Kg/year	7200 Kg/year	☹️
EN23 - Total number and volume of the most significant spills.	Total number and volume of the most significant spills.	S/D	S/D	☹️
EN26 - Initiatives to mitigate environmental impact of products and services, and degree of reduction of that impact.	Initiatives to mitigate environmental impact of products and services, and degree of reduction of that impact.	S/D	S/D	☹️
EN27 - Percentage of products sold, and its packaging materials which are recovered at the end of their shelf-life, by product categories.	Percentage of products sold, and its packaging materials which are recovered at the end of their shelf-life, by products categories.	S/D	S/D	☹️
EN28 - Monetary value of significant fines and total number of non-monetary sanctions due to infringements of environmental laws and regulations.	Monetary value of significant fines and total number of non-monetary sanctions due to infringements of environmental laws and regulations.	0	0	😊
EN30 - Total environmental protection expenditure and investments, by type.	Green spaces	\$ 4.905	\$ 4.580,61	☹️
	Waste classification	\$ 1.315	\$ 428,33	☹️
	Waste collection	\$ 519	\$ 669,24	😊
	Hazardous waste destruction	\$ 243	\$ 120,91	☹️
	Chemical and bacteriological analysis of the water	\$ 0	\$ 57,50	😊
	Sterilization of pathogenic waste	\$ 318	\$ 132,38	☹️

VALUES CHAIN



Starting date: 2005

Interest groups involved: Senior management, suppliers, customers, shareholders.

Sharing our values with the people who come into contact with our business is something we consider of vital importance. The program is intended to spread the CSR values and the Global Compact principles across the company's supply chain.

Thus, this program promotes the 10 principles of the Global Compact.

Actions:

In this period, we organized meetings, visits and audits to suppliers. Taking into account different aspects, we assess the commitment, responsibility and likelihood that the suppliers, or prospective suppliers, assume in relation to their activities.

The auditor inquires into the commitment the supplier assumes towards the protection of the environment and the actions taken, in case the activities performed exert a high environmental impact.

We apply an industrial **plant Admission** Policy for suppliers and contractors, which states that each company which needs to send staff members to perform services inside KRETZ should submit, among other things, AFIP Form 931 (Integrated System of Retirement and Pensions), two days in advance, with the appropriate proof of payment and pay statement. This implies a clear commitment to fight against unregistered employment.

As regards **recreational activities**, soccer matches were held in our plant's soccer field with other nearby institutions.



Adoratrices School Visit



Visit of the Provincial Electricity Supply Company (EPE)



Children's Library

Activities Performed

Day on Mum/Dad's Work



In August we opened the children's library with the motto **"a child who reads is an adult who thinks"**, and we gave the children a small collection of classic tales which will serve as the basis for their home library.

Employees' children aged between 5 and 12 years old participated in the contest "Dad/Mum's work". They were required to draw a picture and the finalists were to visit the plant together with their parents, school peers and teachers. For this visit, a supermarket was simulated, where the children were able to use the equipment operated in real stores.

The spreading of the Global Compact principles among the stakeholders also forms part of this program. We give institutional presents and the last submitted progress report to all the guests we receive.



We received visits from schools, institutions and universities with different levels of education and personal interests. We conducted guided tours of the plant, oriented and adapted depending on the circumstances.

We have started a plan aimed at encouraging the students who come to visit us plant a tree.

Possible Impacts:

- Increased dissemination of the Global Compact
- Environmental awareness
- Human rights policy shared with suppliers
- People's change of attitudes and behavior
- Children being encouraged to read



Internal Integration Day, World Cup 2010.

RELEVANT GRI INDICATORS	KRETZ INTERNAL INDICATOR	10th July	Jul-11	LEVEL OF INTERNAL ACCEPTANCE
HR2 - Percentage of important suppliers and contractors that have undergone screening on human rights and actions taken	Visits to suppliers	45 visits and 3 audits	95 visits and 25 audits	😊

SERVICE EXCELLENCE



Food International Fair (FIAR) 2011, Rosario, Argentina



Launching of NUMA, April 2011, Rosario, Argentina



ANTAD Fair 2011, Guadalajara, Mexico



Donato de Santis Event, FIAR 2011, Rosario, Argentina

Starting date: 2007

Initiators and people accountable for service excellence: Employees, customers, consumers and suppliers.

Service excellence is one of our main commitments, and this program is intended to establish criteria and actions that foster excellence in customer and consumer service.

Thus, we adhere to the 10 principles of the Global Compact.

Actions:

During this period, KRETZ participated in different national and international fairs with the aim of enhancing its contact with customers and consumers.

En August 2010, we exhibited our products at the International Food and Beverages Exhibition (Salón Internacional de Alimentación en Latinoamérica, SIAL) held in **Buenos Aires**.

In April 2011, we participated in Rosario Food International Fair (Feria Internacional de la Alimentación **Rosario**, FIAR), which gathered about 25,000 attendees. In this series, we were accompanied by Chef Donato de Santis, who made a demonstration of our networked products. Within the framework of this fair, we also launched our cash register NUMA, which increases our portfolio of customers. One hundred and fifty people attended the event, including customers, suppliers, authorities, employees and institutional contacts. The fair was also attended by distributors from Paraguay, Uruguay, Bolivia, Peru, Ecuador, Costa Rica, Mexico, Guatemala and Colombia.

We increased our participation in International fairs, such as EXPOCRUZ (**Bolivia**) from 16th to 26th September 2010, the Bogota International Fair (**Colombia**) from 3rd to 10th October 2010, the Paraguayan Supermarket Fair (**Paraguay**) on 20th and 21st October 2010, Santa Fe Expone (**Uruguay**) from 10th to 19th December 2010, ANTAD (**Mexico**) in March 2011, EXPO COCHABAMBA (**Bolivia**) on 5th and 6th May 2011, and the First Cheese and Dairy Products Festival (**Mexico**) on 6th, 7th and 8th May.

Activities Performed



SIAL ASU Fair 2010, Buenos Aires, Argentina

Considering the proximity of our customers in our sphere of influence, we developed an **after-sales** service which includes a large network of technical services throughout the country, as well as another significant number in the countries where we operate.

We also implemented a telephone technical support service, 7/24, called "The Tireless" to give advice on the installation and operation of KRETZ products.

We continue with the training plan for official technical services and distributors on our products offer.

Possible Impacts:

- Customer satisfaction
- Recognition of our products in the international market.

RELEVANT GRI INDICATORS	KRETZ INTERNAL INDICATOR	10th July	11th July	LEVEL OF INTERNAL ACCEPTANCE
PR5 - Practices related to customer satisfaction, including the results of surveys measuring customer satisfaction.	Customer satisfaction average weighted index	S/D	9,3 sobre 10	
	Market research investment	\$ 14.000,00	\$ 0,00	
	Decrease in delivery time	Decrease of 10%	0	
PR7 - Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship by type of outcome of those incidents.	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcome.	0	1	
PR8 - Total number of substantiated complaints regarding breaches of customer privacy and disclosure of customer personal data.	Total number of substantiated complaints, regarding breaches of customer privacy and losses of customer data.	0	0	

COMPANY, STATE AND COMMUNITY



Inauguration of Connections Center V+



Starting date: 2004

Interest groups involved: Shareholders, employees, suppliers, customers, institutions, governments and community.

It is a program that seeks to promote a good relationship with the community and to encourage voluntary work, action and social initiatives. It is designed to build partnerships with institutions and governments to foster development.

The promotion of intergenerational solidarity is one of the key elements used to face the challenge of having an increasing ratio of population.

Thus, we intend to adhere to the 10 principles of the Global Compact.

Actions:

When, at KRETZ, we decided to strengthen the bonds with the academic world, especially the National University of Rosario (Universidad Nacional de Rosario, UNR), the creation of a connection center was the most desired project. On 22nd March 2011, this dream came true with the opening of the **Center for the Companies-University Connection V+**. It is a space open to the academic world and to all the companies, especially those within the region, which operates in the building given by the company to the University in July 2010.

The aim of the Center V+ is to promote and encourage relations and activities that:

- drive innovations or the acquisition of new knowledge,
- help to build skills in companies and develop competencies in people,
- complement scientific learning with learning based on experience.

Activities Performed

Mister **Bernardo Kosacoff**, Ex-Director of the Economic Commission for Latin America (Comisión Económica Para América Latina, CEPAL), was in charge of the formal start of activities and offered a lecture on the “Economic Development and Perspectives of the Argentine Economy”.



Visit of International Customers to Industrial Plant



GTEC Postgraduate Conference at Industrial Plant

On July 23rd 2010, together with the leading authorities of the University, our plant in Pueblo Esther witnessed the launching and start of the course on Specialization in the Management of Innovation and Technological Connection **GTEC**.

The GTEC Centro-Este program is the result of a Consortium made up by the University of Entre Ríos (Universidad Nacional de Entre Ríos, **UNER**), the National University of the Northeast of the Province of Buenos Aires (Universidad Nacional del Noroeste de la Provincia de Buenos Aires, **UNNOBA**), the National University of Rosario (**UNR**) and the National University of Technology (Universidad Tecnológica Nacional, **UTN**) together with their Regional Schools in Rosario, San Nicolás and Venado Tuerto. Other companies, institutions and local governments of the provinces of Santa Fe, Entre Ríos and Buenos Aires also adhere to the program.

At present, classes corresponding to the career of GTEC are held at the Center V+.

As part of this initiative, in August 2010, the International Seminar on Biotechnology (Seminario Internacional de Biotecnología) was held, within the framework of the **Argentine Association of Producers using Direct Sowing Methods** (Asociación Argentina de Productores en Siembra Directa, **AAPRESID**) Congress 2010. All the students of this career attended as special guests. Following the chat at the conference, a private meeting was held with Germán Spangenberg, Director of the Institute of Sustainable Production of Victoria's Crops (Instituto de Producción sustentable de Cultivos de Victoria) (Australia).

In June 2011, we visited the **Regional Center of the National Institute for Agricultural Technology** (Instituto Nacional de Tecnología Agropecuaria, **INTA**), Pergamino and the industrial plant of the Rizobacter company.

We have planned a visit to **INDEAR's** plant, as well as to **Rosario Stock Exchange**

Activities Performed

laboratory facilities for September.

GTEC students are engaged in all these activities; two of them being part of KRETZ, as well as authorities and people who belong to our sphere of influence. The aim is to achieve a wider and deeper vision of our productive and territorial reality.



Donation of scales to San José School, Rosario.



Donation of scales to Fundación Dulce de Leche, Rosario.

In August 2010, we participated in the solidarity crusade **“Helping Makes us Great”**, an initiative organized for Children’s Day with the children attending Martin Jacobo Thompson School No. 45, located on the Charihue island, opposite Rosario. That school was rebuilt after experiencing important floods. A fellow worker’s daughter raised the idea, and we could collect 7 cubic meters of non-perishable food, clothes and shoes in excellent condition.

In April 2011, we donated a scale to the **“Gastronomy Workshop”** offered at San José School. This Workshop is aimed at low-income youngsters, some of them being street children.

In June 2011, we agreed to work together with the **“Red Solidaria Rosario”** (Solidarity Network of Rosario), an independent organization in charge of meeting the needs of the homeless. We organized a fundraising campaign and went out together to distribute instant soup, cookies, hot coffee, mate cocido, and chocolate.

In July 2011, we organized a **“Football Pool”** with the matches played during the 43rd series of the Copa América ARGENTINA 2011. All the money collected was given to a female fellow worker whose 2-year-old son had to undergo an operation of high complexity.

Another activity performed in July was the donation of a scale to the **“Fundación Dulce de Leche”**, which is in charge of assisting and helping children with overweight problems. This organization is located in the city of Orán, in the province of Salta.

Also, in March 2011, a framework agreement was signed with the Faculty of Exact Sciences, Engineering and Land Surveying at the **National University of Rosario for new internships.**



Arts and Crafts School

A similar agreement was signed with the **Universidad del Centro Educativo Latinoamericano** after the inclusion of an intern for the Administration and Finances department.

Through the voluntary work of people from KRETZ, who recovered an abandoned piece of land in the center of Pueblo Esther where the industrial plant is located, it was possible to open the **Escuela de Arte y Oficios (School of Arts and Crafts)** in 2009. Today, this school has become a true training and cultural center with activities planned for all the days and times of the week.

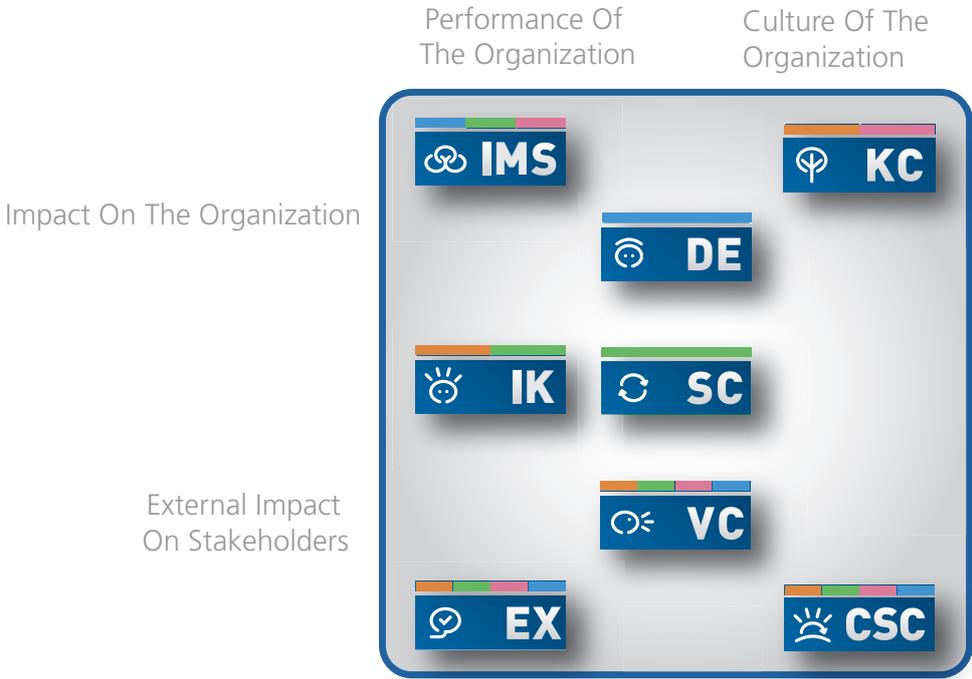
In particular, it offers courses on electric welding, electricity, bricklaying, painting, turnery and leather goods, which were attended by 118 students who left with a graduate diploma. There are also workshops on plastic arts, dressmaking, drama, homemade cooking, and female aesthetics. More than 100 students have attended these workshops.

It's worth noting that the school institutionally depends on the commune of Pueblo Esther.

Possible Impacts:

- Promoting solidarity, voluntary work
- Fostering education
- Career development
- Crafts training for the community

Impact Matrix



In order to link the commitments made to the programs implemented and the business relevance of the Global Compact principles, we have developed this **matrix**, which combines, on the one hand, the **impact** of the actions exerted both on the organization and on the stakeholders, and on the other hand, the impact exerted on the **performance** or **culture** of the organization and/or stakeholders.

Thus, the matrix developed **reflects every CSR program** regarding how each of them contributes to make ongoing performance improvements within the company and between the company and its value chain, and how each program contributes to the promotion of values and a new concept of business ethics in the community.

GRI Indicators with No Direct Association to CSR Programs

RELEVANT GRI INDICATORS	KRETZ INTERNAL INDICATOR	10th july	11th july	LEVEL OF INTERNAL ACCEPTANCE
EC1	Direct economic value generated and distributed, including incomes, operating costs, payments to employees, donations and other investments in the community, retained earnings and payments to capital suppliers and governments.	S/D	S/D	☹️
EC2	Financial consequences and other risks and opportunities for the organization's activities due to climate change.	S/D	S/D	☹️
EC3	Coverage of obligations of the organization due to social benefit programs.	S/D	S/D	☹️
EC4	Significant financial aid received from the government.	S/D	1738221,46	😊
EC7	Procedures for local hiring and proportion of senior managers from the local community in places where significant operations are carried out.	S/D	0	☹️
EC8	Development and impact of investments in infrastructures and services rendered mainly for public benefit through commercial commitments, pro bono or in kind.	S/D	2 years of operation of the School of Crafts from P. Esther	😊
PR3	Types of information on products and services required by the applicable procedures and regulations, and percentage of products and services subject to those information requirements.	S/D	S/D	☹️
PR6	Programs of compliance with laws or adherence to standards and voluntary codes mentioned in marketing communications, including advertising, other promotional activities and sponsorships.	S/D	S/D	☹️
SO1	Nature, scope and effectiveness of programs and practices for evaluating and managing impacts of operations on communities, including entry, operation and exit from the company.	S/D	S/D	☹️
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and in other areas of high biodiversity value outside protected areas.	S/D	S/D	☹️
HR1	Percentage and total number of significant investment agreements, including human rights clauses or which have been analyzed in terms of human rights.	S/D	0	☹️

GRI Indicators with No Direct Association to CSR Programs

HR5	Company activities in which freedom of association and participation in collective bargaining may be exposed to important risks and measures adopted to support those rights.	S/D	0	
HR6	Identified activities that pose a potential risk for child labor exploitation, and measures adopted to eradicate them.	S/D	0	
HR7	Operations identified as posing a high risk of leading to episodes of forced or non-consented labor, and measures adopted to help eradicate them.	S/D	0	
SO3	Percentage of employees trained on anti-corruption policies and procedures in the organization.	S/D	0	
SO4	Actions taken in response to corruption incidents.	S/D	S/D	
PR7	Total number of events registering non-compliance of regulations and voluntary codes related to marketing communications, including advertising, promotion and sponsorship, by type of result.	0	0	
PR8	Total number of substantiated complaints, regarding breaches of customer privacy and losses of customer data.	0	0	
HR4	Total number of incidents of discrimination and actions taken.	0	0	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome.	0	0	
SO8	Late submission of tax returns (fines in pesos).	200	400	
SO5	Participation in chambers of commerce.	10	7	
PR9	Monetary value of any significant fines for non-compliance with regulations concerning the provision and use of products and services.	0	0	
SO2	Percentage and total number of business units analyzed with respect to risks of corruption.	S/D	0	
SO6	Total value of financial and in-kind contributions made to political parties, politicians and related institutions, by country.	0	0	
EC6	Percentage of locally-based suppliers compared to internationally-based suppliers.	88%	77,72%	

GRI Indicators with No Direct Association to CSR Programs

LA2	Rate of employee turnover.		0,48	0,48	😊
LA13	Percentage of women per position.	Management	50%	50,00%	😊
		Administration and Finance	45%	33,33%	😞
		Trade	11%	15,38%	😊
		Purchase	17%	20,00%	😊
		Quality	25%	0,00%	😞
		Manufacturing	8%	13,79%	😊
		After-sales Service	0,00%	0,00%	😐
		R&D	8%	8%	😊
		IT	50%	50,00%	😊
		Maintenance	0,00%	0,00%	😐
LA14	Ratio men-women wages.	Management	1,22	1,22	😊
		Administration and Finance	1,40	1,7	😐
		Trade	1,23	2,8	😐
		Purchase	0,86	1,24	😊
		Quality	0,80	S/D	😐
		Manufacture	0	S/D	😐
		After-sales Service	0	S/D	😐
		R&D	1,31	S/D	😐
		TI	0,79	0,82	😐
		Maintenance	0	S/D	😐

GRI Indicators with No Direct Association to CSR Programs

EC5	Average range of ratios of standard entry level wage for direct staff members.	Average: 1,85 Minimum : 1,43 Maximum:2,10	Average: 1,98 Minimum: 1,39 Maximum:2,56	
LA1 - Total workforce by employment type, employment contract and region.	Total workforce by employment type, employment contract and region.	97	90	
	By employment type and employment contract. Bargaining employees / Non-bargaining employees	43/54	39/51	
	and by Region Rosario + P Esther / Rest of the country / Mexico.	95/2/0	87/2/2	
SO7	Legal actions identified by anti-competitive, anti-monopolistic behavior, and monopolic practices.	0	0	
SO3	Percentage of employees trained on anti-corruption policies and procedures in the organization.	0	0	

Summary of Indicators

Economic Performance		
EC1	Direct economic value generated and distributed, including incomes, operating costs, payments to employees, donations and other investments in the community, retained earnings and payments to capital suppliers and governments.	52
EC2	Financial consequences and other risks and opportunities for the organization's activities due to climate change.	52
EC3	Coverage of the organization's liabilities for social benefit programs.	52
EC4	Significant financial aid received from governments.	52
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at places where significant operations are being carried out.	55
EC6	Policy, practices and proportion of spending corresponding to local suppliers in places where significant operations are carried out.	53
EC7	Procedures for local hiring and proportion of senior managers from the local community in places where significant operations are carried out.	52
EC8	Development and impact of investments in infrastructures and services rendered mainly for public benefit through commercial commitments, pro bono or in kind.	52
Environmental Performance		
EN1	Materials used, by weight and volume.	41
EN2	Percentage of recycled materials used as supplies.	41
EN3	Direct energy consumption from primary source.	41
EN4	Indirect Energy consumption from primary source.	41
EN5	Energy saved due to improvements in conservation and efficiency.	41
EN8	Total water withdrawal, by source.	41
EN11	Location and size of land owned, leased, exploited or adjacent either to protected areas or areas of high value due to its biodiversity.	41
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and in other areas of high biodiversity value outside protected areas.	41
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	41
EN16	Total direct and indirect greenhouse gas emissions, by weight.	41

Summary of Indicators

EN17	Other indirect greenhouse gas emissions, by weight.	42
EN19	Emissions of substances that damage the ozone layer, by weight.	42
EN20	NOx, SOx emissions and other significant emissions that affect the air, by type and weight.	42
EN21	Total water discharge, by quality and destination.	42
EN22	Total weight of waste, by type and disposal method.	42
EN23	Total number and volume of significant spills.	42
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	42
EN27	Percentage of products sold and their packaging materials that are recovered, by category.	42
EN28	Monetary value of any significant fines and total number of non-monetary sanctions for non-compliance of environmental laws and regulations.	42
EN30	Total environmental expenditures and investments, by type.	42

Responsibility for Products Performance

PR3	Type of information on products and services required by the procedures, and percentage of significant products and services subject to those information requirements.	52
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome. Information requirements.	53
PR5	Practices related to customer satisfaction, including the results of customer satisfaction surveys.	46
PR6	Programs of compliance with laws or adherence to standards and voluntary codes mentioned in marketing communications, including advertising, other promotional activities and sponsorships.	52
PR7	Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship by type of outcome of those incidents.	46
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	46 ; 53
PR9	Cost of those significant fines due to non-compliance with the norm in relation to the provision and use of the organization's products and services.	53

Summary of Indicators

Human Rights Performance		
HR1	Percentage and total number of significant investment agreements, including human rights clauses or which have been analyzed in terms of human rights.	52
HR2	Percentage of important suppliers and contractors that have undergone screening on human rights and actions taken.	44
HR4	Total number of incidents of discrimination and actions taken.	53
HR5	Operations in which the right to freedom of association and to celebrate collective bargaining agreements represents a significant risk, and actions to support those rights.	53
HR6	Operations in which there is a significant risk of child labor incidents, and measures to help eradicate it.	53
HR7	Operations in which there is a significant risk of forced or compulsory work incidents, and measures to help eradicate this form of work.	53
Labor practices and ethics performance within the workplace		
LA1	Total workforce by employment type, employment contract, and region.	55
LA2	Total number and rate of employee turnover by age group, gender, and region.	54
LA4	Percentage of employees covered by collective bargaining agreements.	35
LA5	Minimum notice period(s) regarding operational changes, including whether they are specified in the collective bargaining agreements.	35
LA6	Percentage of total workforce represented by formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	33
LA7	Rates of work-related injuries and illnesses, lost days and absenteeism and total number of work-related fatal victims, by region.	35
LA8	Current education, training, orientation, prevention and risk-control programs to assist the staff, their families or members of the community regarding serious diseases.	35
LA9	Health and safety topics covered in formal agreements with trade unions.	S/D
LA10	Average hours of training per year per employee by employee category.	39
LA12	Percentage of employees who are periodically assessed in terms of performance and professional development.	37
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	54
LA14	Ratio of basic salary of men to women by employee category.	54

Summary of Indicators

Social performance		
SO1	Nature, scope and effectiveness of programs and practices for evaluating and managing impacts of operations on communities, including admission, operation and exit from the company.	52
SO2	Percentage and total number of business units analyzed with respect to risks of corruption.	53
SO3	Percentage of employees trained on anti-corruption policies and procedures in the organization.	53 ; 55
SO4	Actions taken in response to corruption incidents.	53
SO5	Public policy positions and participation in public policy development and lobbying.	53
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	53
SO7	Total number of legal actions for anti-competitive behavior and monopoly practices, and their outcomes.	55
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	53

