

Global Compact

Annual Communication on Progress 2011.





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To whom it may concern:

In my first year as Managing Director of Vicinay Cadenas I have the great pleasure to write this introduction to our CDP 2011 reaffirming our commitment to the Principles of the UN Global Compact while at the same time communicating our level of development in this important issue which, logically, underwent a close scrutiny when I assumed my new responsibilities.

The predominant corporate strategy in recent years has been focused on sustainability and social responsibility as the cornerstones of our business. Therefore both aspects have been present in all the considerations that have shaped the Vicinay Cadenas' agenda in the intense period of transition we experienced in 2011.

We remain pleased with the progress experienced and with the determination for improvement in years to come. A future offering a horizon of possibilities that only great challenge, at certain times, can offer.

Signed by Jesús Navas



Managing Director of Vicinay Cadenas
2012.10.08



Introduction. Description of business

Vicinay Cadenas is a family owned company whose activity traces back to the mid eighteenth century and has grown into a modern organization.

On March 11, 1929 the company "Sons of Vicinay, Limited Partnership" was registered.

On January 2, 1986, Vicinay Cadenas, S.A. is founded.

We form part of the Vicinay Marine structure through which we share our business project.

What we do? We think, design, manufacture and give high-tech solutions and high added value mooring lines for the anchoring of floating systems in the Offshore Industry.

Web address: www.vicinaycadenas.com

Managing Director: Luís Cañada (during the year 2011)

Commitment Date: 31/07/2007

Industrial Sector: Metals & Mining

Interested parties: Customers, Employees, Shareholders, Investors, Suppliers, Local communities, Society, Government and Public Administrations, Environment, Mass Media and Unions.

Countries in which it is present: Vicinay Cadenas is present in Spain with two factories: Deusto and Galdames

Progress Report spreading inside the company: The progress report is shared through a work team sorted for a strategic project called Pegasus in which it is focused and managed the Social Responsibility together with the other organization implicated processes.

Submission date: 2010-10-27

Responsible: Tomás López

Report category: A





Philosophy

Integrated Policy

In the activity of design, manufacture and supply of products and services for the mooring of floating installations, Vicinay Cadenas' management undertakes:

- A special attention to the people integrated in this business project, permanently seeking to assure their safety, maintaining health and personal achievement on equal level.
- The achievement of clients' satisfaction and the highest economic viability of the company by means of responsibility and performance of the requirements requested by those who trust in our abilities and adapting to the coexistence.
- Generate an atmosphere of creativity aimed at the improvement of our productive activity as well as the materialization of all the solutions that the market could ask for.
- The social responsibility based on the integrity of its people and actions as an organization that focuses its efforts on the sustainability of its environment, improving everyday to become a reference amply recognized by its management.

Vicinay Cadenas complements and develops this policy communicating its Mission, Vision and Values in different documents that provide and enrich the culture and sensitivity of the Organization.





Philosophy

Mission

VCSA, in its vocation for being a world-reference, bases its Company Project on the following principles:

- In the conception, design, manufacture and supply of products and services with High Added Value, with innovation, health and safety, quality and environmental responsibility, adapted to the client and oriented mainly to the offshore industry.
- Developing its activity as a socially responsible “Glocal” Organization, based on the ability and “emotalent” of its people.
- Striving for competitiveness and benefit in order to benefit in turn its people, its shareholders, to the company itself, society at large and to the planet.
- Reliance on its Allies, Clients, Suppliers, Centres of Learning and the rest of identified interested parties.
- A worldwide projection from a local base in Bizkaia

Vision 2015

VCSA builds for the future:

- With the expectation and hope that our Company will be a meeting place for people and a place where people feel fulfilled through the achievement of our company’s objectives.
- Relying on a Human Team that knows how to take advantage of diversity and make the most of uncertainty in a dynamic world.
- With the hope of be recognized as one of the best companies in the world because of its results in all our fields of endeavour.



Philosophy

Quality Policy

The management of Vicinay Cadenas S.A. declares its complete commitment through all those involved in the design, fabrication and delivery of chains and accessories for the offshore industry, together with all associated services, to :

- Meet the requirements of our customers, clearly determining all the quality issues concerned so that we exceed the expectations of those who award us contracts
- Maintain a quality management system to meet all the varied demands of our company and to comply with all the necessary standards
- Audit recorded data to continuously increase the effectiveness of our emotalent, initiating and monitoring new and advanced concepts and the application of lessons learned
- Maximise creativity and innovation to secure expert solutions in collaboration with our own specialised units
- Make our company a recognised reference point with a place of honour in the industry.

Vicinay Cadenas complements and develops this philosophy through its Mission, Vision, Values and other statements which underpin the culture and responsiveness of our organisation



Corporate Social Responsibility Policy

Vicinay Cadenas, SA, in the conception, design, manufacture and delivery of products and services with high added value through innovation, health and safety, quality and environmental responsibility, tailored to the customer and geared primarily to the offshore industry, aims to become a sustainable organization close to and closely aligned with its stakeholders.

Vicinay Cadenas considers that the development of its Corporate Social Responsibility should contribute to the sustainability of the organization from taking into account three perspectives: Social, Economic and Environmental.

With this policy, Vicinay Cadenas will:

- Develop a framework of industrial relations based on equal opportunities, respect for diversity, dialogue and ensuring a safe and healthy.
- Develop a sustainable and sensitive organizational model and encourage transparent communication between stakeholders.
- Encourage the growth of our environment contributing funds and kinds of aid as and when economic conditions are favourable.
- To promote socially responsible actions in those areas which develops the values promoted by the Organization and in the geographical area over which the Organization has influence
- Protect the environment and develop improvement cycles that involve reducing the impact of the organization, with periodic communication so that these may be verified.
- Maintain a social commitment based on respect for the 10 principles of UN Global Compact.

Vicinay Cadenas complements, develops and periodically reviews this philosophy based on its Mission, Vision, Values and other policies that facilitate and enrich the culture and sensitivity of the organization.



Philosophy

Environmental Policy

The management of Vicinay Cadenas S.A. declares its complete commitment through all those involved in the design, fabrication and delivery of chains and accessories for the offshore industry, together with all associated services, to:

- Fully integrate the environmental dimension and respect for the natural environment in the organization's strategy.
- Achieve an individual and collective behavior going beyond compliance which is always provided by the organization.
- Improve the results of the environmental management on the basis of lessons learned, comparisons with related companies, advanced management practices and our own emotalent
- Report transparently on the actions and environmental impact to our different stakeholders.
- Ensure that this organization is widely recognized for the way in which we develop our commitment to sustainability.

Vicinay Cadenas complements and develops this philosophy through its Mission, Vision, Values and other statements which underpin the culture and responsiveness of our organisation



Values of the company

Philosophy

Respect

Treat other people the way we would like to be treated.

Service

Respect the needs of the other stakeholders as I would like others to respect my needs, in accordance with the Mission, Values and Objectives of the Organization

Share

Consider the Company Project as my own, sharing successes, failures, emotions and talent

Safety

The right and personal responsibility to work in such a way as to avoid hurting other people and damaging infrastructure and the environment

Innovation

Commitment to apply “emotalento” (the combination of emotion and talent) to find new ways of doing things and giving added value to our people and Organization and accepting the risk of failure



Values of the company

Philosophy	Given word	Recognize the value of the “Word” as a personal commitment
	Learning	Excitement and effort needed to keep our knowledge constantly up to date and to apply it to our Company Project.
	Membership	Pride to be in and with VCSA
	Responsibility	Active and continuous commitment with the Company, the society it which it is integrated, our spheres of interest and the planet on which we live
	Benefit	Contribute to the sustainability of the company, through obtaining benefits, in order to guarantee the employability of our personnel and the satisfaction of our shareholders and stakeholders

Human Rights





Principle 1

**Businesses should support and
respect the protection of
internationally proclaimed human
rights**



Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights

Diagnosis

Which are its risks as for Human rights? Of what way has them? Indicate the risks in the cabin of key word and indicate the aims to reduce them in the cabin of aims.

Implantation

Vicinay Cadenas, S.A. (VCSA) supports the protection of Human Rights in the different aspects related to its own activity, and in relation with the interest and alignment with the groups of interest since some years already identified.

Target

VCSA develops its technical capability in a permanent way for searching the resources and work conditions to provide a healthy and safe performance, which are also respectful with the Environment, based on better commitment and the creativity of everybody who shares and collaborates in the project.

Health and Safety Management is a strategic aim for the company not reached in 2012. Certain risks are not sufficiently under control as consequence of several factors, being the main one the HSE Culture or the organization which has to be upgraded to the required level by means of an ambitious training and indoctrination plan.

Some groups of interest (suppliers and subcontractors) have been incorporated to this initiative in the measure in which VCSA can exercise influence, and always aligned with the corporate social responsibility

HSE scores	Year	2011	2010	2009
• Lost time injuries :		08	09	12
• Severity rate:		0.36	0.39	0.63
• Frequency rate:		26.40	28.96	36.14
• Penalties and fines =		0		
• Neighbour's complains =		0		
• Environmental impacts =		0		
• Hazardous waste generated =		<10.000	kg	



Human Rights

Principle 1

Policy

Has the entity defined clearly and in written its policy, its values and procedures?

Response: Yes, including specific new Quality, Environmental and Corporate Social Responsibility policies

Implantation

VCSA reviewed in January 2010 its Integrated Policy, considering it is valid as a summary of specific policies for Health and safety, Quality, Environment, CSR and others to be developed.

The Mission, Vision and Values of the organization have been equally reviewed. These documents have been circulated and explained to the different groups of interest.

Target

The implication and compromise of the entities that collaborate with VCSA have not been achieved yet, but VCSA does not give up in our own improvement in order to become a reference for those other enterprises, reason why VCSA requires the compromise of different persons to all levels in the company to take part in its design.

VCSA has continued in 2011 submitting and sharing these documents to the interested parties, paying special attention to the suppliers and subcontractors, entities which receive the procedures and applicable documentation.

During 2011 the diptych with these texts has been continuously edited for delivery to customers, visitors and suppliers. The mentioned documents have been included in the Annual Improvement Book and in the Sustainability Report 2011 (both edited and delivered in the year 2012).

Actions

Describe the actions carried out, in relation to this Principle, during the previous year indicating the Group of interest which they are related to.



Human Rights

Principle 1

Implantation

Along 2011 our policies and values have been communicated besides to our personnel and families to the different groups of interest, focusing in a special way to our clients and because many of them demand this information, to our suppliers, subcontractors, entities with relationship, local community and society.

The VCSA Annual Reunion with all the personnel and collaborators held on February 2011 is the event where the philosophy of the organization (mission, vision values and policies) are commented. In this reunion it has been summarized the results of the previous year and the advance of the objectives for the starting one.

On June 2011 the III Sustainability Report was distributed to the representatives of all the groups of interest determined to our company. In this publication the policies introduce the information together with a letter from the president of the company and other letter from the managing director.

October 2011 is the date when the Annual Improvement Book was issued including also at the beginning the Integrated Policy, Mission, Vision & Values of VCSA.

Luckily, the period of global crisis has impacted less our business in 2011 what has been communicated to our clients in order to get their perception regarding to our philosophy. In VCSA communicate and share our policy, learning lots of lessons from more developed organizations.

In all the meeting rooms, the policies are available in Spanish & English languages, so clients and visitors can get easy access.

Scores 2011

Policy availability and distribution: 100%

Client Satisfaction 2011 = 4.10 on 5

Response to questionnaires = 13% of relevant contracts

Suppliers not quality cost = 22,66 Euro/ton chain

Non-conformities of suppliers: Reduction 15%

Training = 3.25 % of active time

Human mistake cost = 5,33 Euro/ton chain



Principle 1

Follow-up and Impact Measurement

Has the entity mechanism of follow-up of its policy of Human Rights? Describe them?

Response: Yes

Implantation

As communicated in previous reports HSE is our aim for the period 2009 – 2015, focusing this aspect of the management systems in a rigorous way by means of the improvement of the effectiveness of the leadership in all levels of responsibility

VCSA has improved the preventive information pushed on to clients, subcontractors and visitors so they achieve a safe and healthy stay at VCSA plants.

The above mentioned management of the health and safety conditions of all who collaborate with the managerial project or visit us (staff, subcontractors and visitors) is evaluated for its efficiency.

The funds destined to support social activities have increased 15% in term of economic quantity respect to 2010. VCSA supports some activities of Charity Organizations, one Choral Ensemble, Cultural Associations, Football and Rowing clubs Neighbour Association, considering besides other activities related to youth and infancy.

In spite of the global crisis VCSA has increased the number of indefinite contracts transferring some temporary jobs to permanent staff.

VCSA has kept the decision not to apply any temporary reduction of employment in 2011, distributing and sharing the existing workload, decision which has been well considered and evaluated by our personnel and other groups of interest.

The improvement of the effectiveness of the environmental management has been constant, and no significant incident or claim with the neighbourhood happened in 2011.



Human Rights

Principle 1

Target

The implementation of a real and effective leadership in HSE was determined as the main objective for 2011, being the final result of this period the conscience of the importance of the objective, and the necessity of a longer period (2010 – 2012) to consolidate it.

Daily HSE information regarding of HSE issues leaded by responsible personnel of critical operations.

Monthly follow-up of the health and safety statistics with are articulated to the whole staff in the monthly meeting of Integrated Systems of Management

Monthly following-up of the indicators of penalty for legal breach. Permanent management of possible inconveniences to neighbours.

VCSA has performed quarterly meetings with the Social Representatives to deal not only those subjects concerning to Health and Safety (Committee of Security) but also with those relative to the agreements among company and collaborators.

Edition of the of Sustainability Report 2010 (that is published in 2011) has been again best tool to publish and communicate the most relevant issues regarding to HSE issues.

Indicate the percentage of employees informed about the ethical policy by which the entity is ruled.

Response: 100 %

Implantation

The ethical principles formulated, commented and circulated by means of the Policies, Mission, Vision and Values, have been discussed in detail in SIG Meetings attended by the whole staff, and in small group meetings in Socrates and Symbiosis projects maintained along year 2011.

The above mentioned documents have been displayed in several strategic points of the company where they are easily accessible to all the staff .



Implantation Summary Principle 1

Principle 1	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Customers	A: Economic rights	A: Policy, Mission and Values	A: Satisfaction and faithfulness	A: Safety
	T: 100% product specification fulfilment	T: specifications fulfilment	T: 4.5 on 5	Zero accidents involving customer visitors
Employees	A: Unsafe working conditions	A: Policy, Mission and Values	A: Health and Safety	A: Health and Safety
	T: Decent and steady work	T: Decrease accidental rates	T: 100% workers properly trained	T: Decrease accidental rates
Shareholders	A: Economic rights	A: Policy, Mission and Values	A: Safety and economic viability	A: Safety and economic viability
	T: Profit	T: Safety and profit	T: Profit	Zero accidents involving shareholder visitors
Investors	A: Economic rights	A: Policy, Mission and Values	A: Safety and economic viability	A: Safety and economic viability
	T: Profit	T: Safety and a better return of the investment	T: Profit	Zero accidents involving investor visitors
Suppliers	A: Economic rights	A: Policy, Mission and Values	A: Fulfil VCSA requirements	A: Safety
	T: Fulfil VCSA requirements	T: Company Management	T: Requirements and delivery end line	Zero accidents involving subcontractors in VCSA plants



Implantation Summary Principle 1

Principle 1	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
NGO and Corporative Social Responsibility with the Community	A: Social responsibility	A: Policy, Mission and Values	A: Social responsibility	A: Social responsibility
	T: Different sponsorships	T: Different sponsorships	T: Different sponsorships	T: Different sponsorships
Local communities	A: Respect to the environment and managerial social responsibility	A: Policy, Mission and Values. Respect to the environment and managerial social responsibility	A: Respect to the environment and managerial social responsibility	A: Respect to the environment and managerial social responsibility
	T: Neighbour's complains	T: Neighbour's complains	T: Support the local associations	T: Neighbour's complains and support the local associations
Society	A: Create wealth and employment	A: Policy, Mission and Values. Create wealth and employment	A: Create wealth and employment	A: Create wealth and employment
	265 employees	265 employees	265 employees	265 employees
Government and Public Administrations	A: Legal fulfilment	A: Policy, Mission and Values. Legal fulfilment	A: Legal fulfilment	A: Legal fulfilment
	T: Zero penalties	T: Zero fines. Go beyond the legal fulfilment	T: Zero penalties	T: Zero penalties and fines



Implantation Summary Principle 1

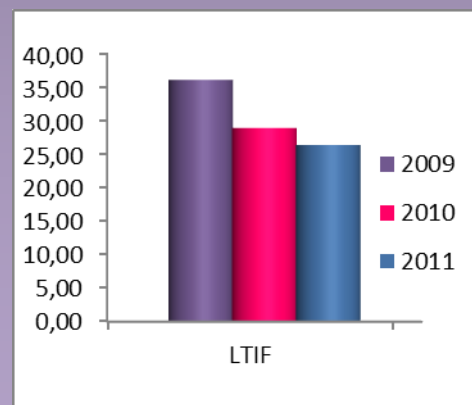
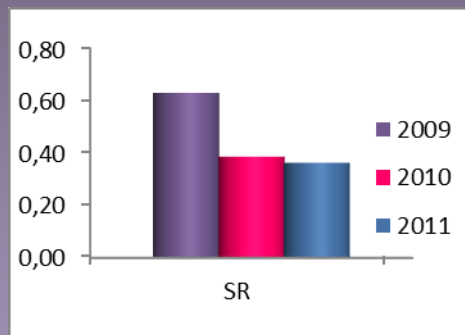
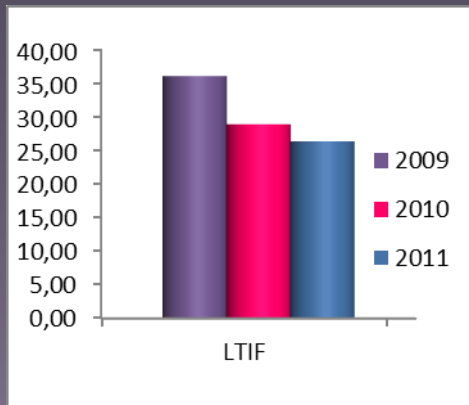
Principle 1	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Environmental	A: Protect the environmental I	A: Policy, Mission and Values. Protect the environment	A: Protect the environmental	A: Protect the environmental
	T: zero environmental I impacts	T: zero environmental impacts	T: zero environmental impacts	T: zero environmental impacts
Mass Media	A: Share information about activity	A: Share information about VCSA	A: Share the working experience	A: Share information about activity
	T: Good practice information	T: Good practice information	T: Share good practice information	T: Edit Improvement Report Book and Sustainability Report
Unions	A: Agreement and social peace	A: Policy, Mission and Values. Agreement and social peace	A: Agreement and social peace	A: Agreement and social peace
	T: Economical and social agreement until 2010	T: Economical and social agreement until 2010	T: Implication in attainment of targets	T: Economical and social agreement until 2010
Knowledge Web	A: New safe and non contaminant products	A: New safe and non contaminant products	A: Develop new safe and non contaminant products	A: New developments
	T: New product and solutions	T: New product and solutions	T: New products	T: New products

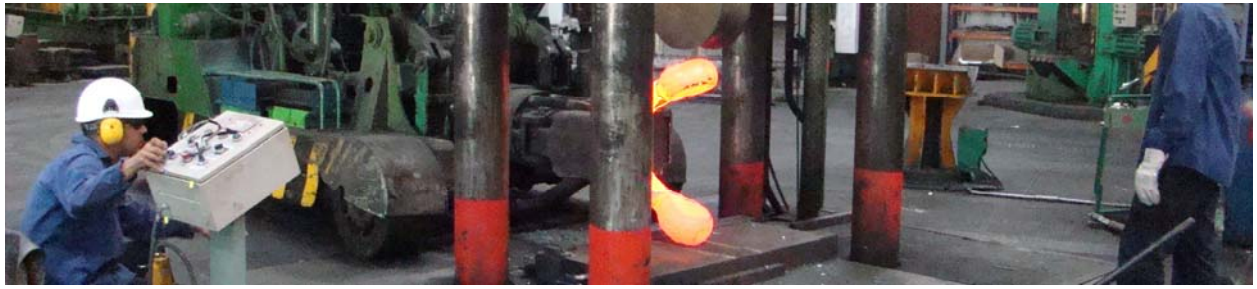
A : Answer

T: Target



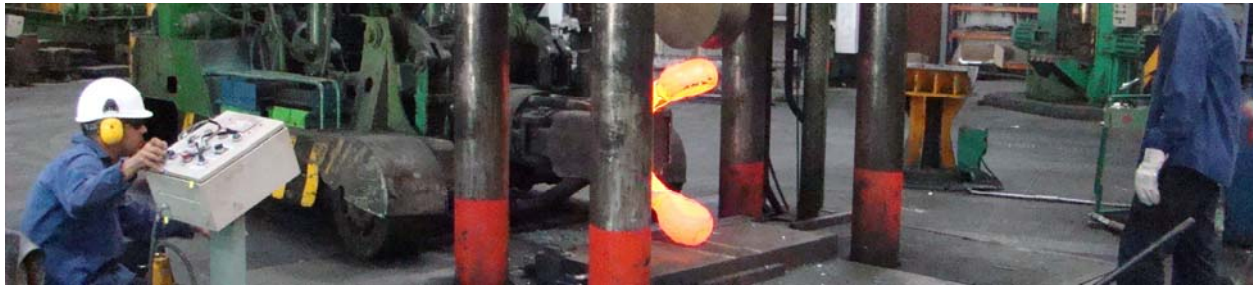
HSE statistic Years 2011, 2010 and 2009





Principle 2

**Businesses should make sure
they are not complicit in
human rights abuses**



Human Rights

Principle 2

Businesses should make sure they are not complicit in human rights abuses

Diagnosis

Has the entity a classification of suppliers depending on risk of Human Rights violations? Specify the risk and indicate whether those that have certifications are favoured.

Response: Yes. All the suppliers and subcontractors are pre-qualified before approval, existing a continuous follow-up and annual evaluation of HSEQ performance

Implantation

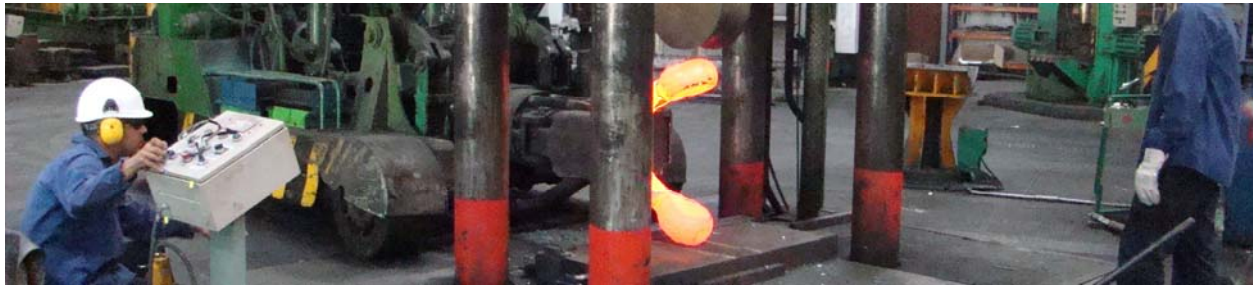
Though the Human Rights violations are not considered a risk in our area of influence and business, VCSA pays attention to the sponsored sportive entities requiring a formal compromise to avoid any type of risk for the young people who participate in them. So, we are demanding not to permit or incentive the consumption of substances that can modify the physical performance.

The suppliers and subcontractors approved during 2011 by VCSA have demonstrated enough alignment of strategies and conformity of values during the pre-qualification audit being a requirement the respect to human rights, aspect clarified and agreed at the beginning of the contract relationship. Demonstrated fulfilment of the following is formally requested:

1. Contracting
2. Health and Safety at work
3. Compliance with Health, Safety Environmental legislation
4. Waste management
5. Adequate training of subcontracted workers
6. Ethical behaviour commitment, which is even more significant in the current economic situation.

As traditional, during 2011 we were visited by several educational organizations, students and teachers to whom we have transmitted our philosophy and understanding of corporate social responsibility.

In a similar way, we have received 394 citizens who have wanted to know VCSA



Human Rights

Principle 2

Target

100 % of the approved suppliers / subcontractors must fulfil the VCSA requirements as shown in the applicable procedure VQM 16 form.

Annual evaluation of the performance of 100 % of suppliers for their incorporation and permanency in the list of approved suppliers.

Policy

Has the entity a formal policy of purchases or does it use a system of selection of products and services, according with its managerial social responsibility policy?

Response: Others

Implantation

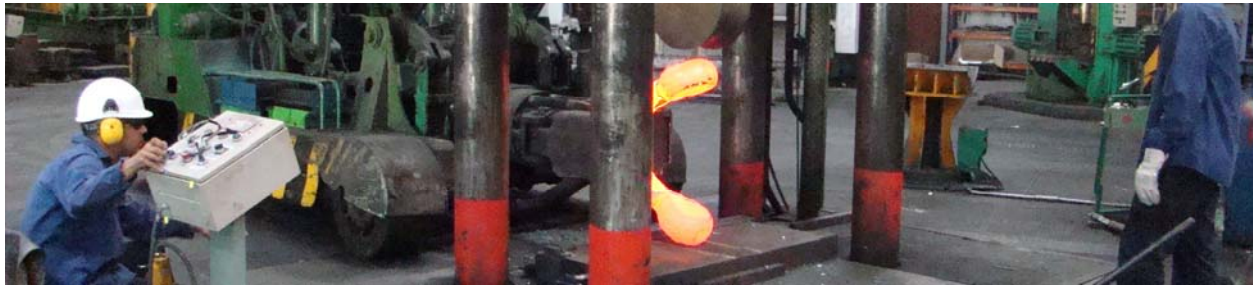
As communicated in previous COPs, since 2009, VCSA, member of the Basque Companies Association for the Sustainability and Managerial Social Responsibility IZAITE, is adopting certain elements of the Model of Traction over the Supply Chain proposed by this association.

VCSA has contacted in 2011 eleven relevant suppliers and subcontractors in order to sensitize these companies about CSR

During these evaluations the Integrated System of Management is taken into account, giving special importance to Health and Safety and Environmental protection.

According to existing orders and projects, and once the manufacturing schedule has been issued for the year, the selection of products and services has been carried out using the list of approved suppliers, and this documentation is used for planning visits and audits, having in target the traction of our suppliers.

The implementation of the 2011 Annual Audit Plan for Suppliers and Subcontractors has been more than 90%. The findings regarding to this principle have been zero.



Human Rights

Principle 2

Targets

Performing traction on relevant suppliers regarding to environmental issues (Environmental Product Declaration) in order to standardize approaches and development of activity and management.

Promoting the Integrated Management System implementation, when such a possibility exists, as well as introducing in the Corporate Social Responsibility to those companies that have not initiated this way.

Actions

Describe the actions carried out related to this principle during the last year, indicating the group of interest which it is focused.

Implantation

According to the requirements of VCSA integrated management systems In 2011 we have followed-up and assessed in a permanent and systematic way the result of the relationship of this critical interested party.

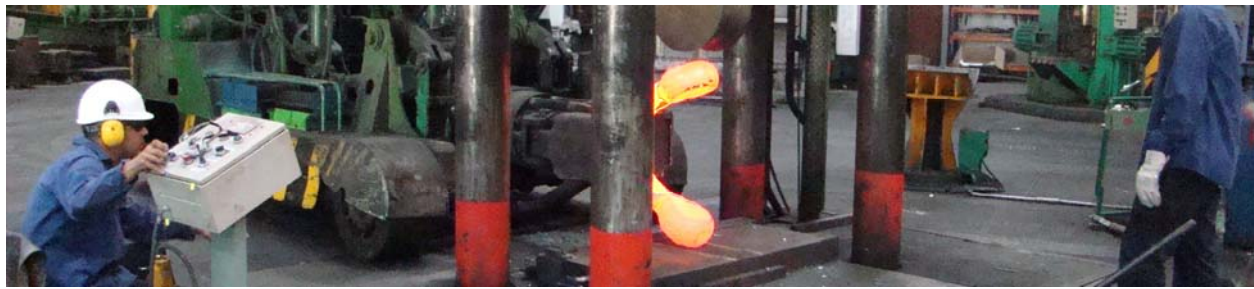
It has been documented the annual summary of behaviour, management efficiency and demanded requirements fulfilment.

The CSR has been included as an aspect to audit in the most advanced suppliers and subcontractors, being the conclusions very satisfactory for both parts.

Considering the current global crisis, VCSA has maintained an additional sensibility in order to make an equitable distribution of orders, trying to favour the continuity and viability of these organizations.

Experience exchange with advanced organizations has been kept, incorporating to VCSA some lessons learnt regarding to CSR and sustainability.

Beyond its influence capability, VCSA has demanded the fulfilment of certain basic Human Rights such as labour risk prevention and environmental protection to some subcontractors.



Human Rights

Principle 2

VCSA has kept incorporating to personnel of subcontracted companies of frequent presence in VCSA in training activities to extend good work practices.

Target

Maintaining the implantation and certification of Health and Safety and Environmental Protection systems in subcontractors with clear identified risk and serious potential environmental impact (machining shops)

Consolidating the CSR consideration in advanced suppliers. This issue has been discussed in the contacts with all the subcontractors.

Fulfilment of 100 % of the Annual Plan of Audit to Suppliers, checking the fulfilment of the requirements of the VCSA Integrated Management Systems and promoting the implantation of the actions agreed in former audits.

Follow-up and Impact Measurement

Indicate the percentage of the suppliers that have a certification (example: SA 8000, ISO 9001)

Response: 50 % of relevant suppliers and subcontractors.

Strategical suppliers: 90% with ISO / OHSAS certification

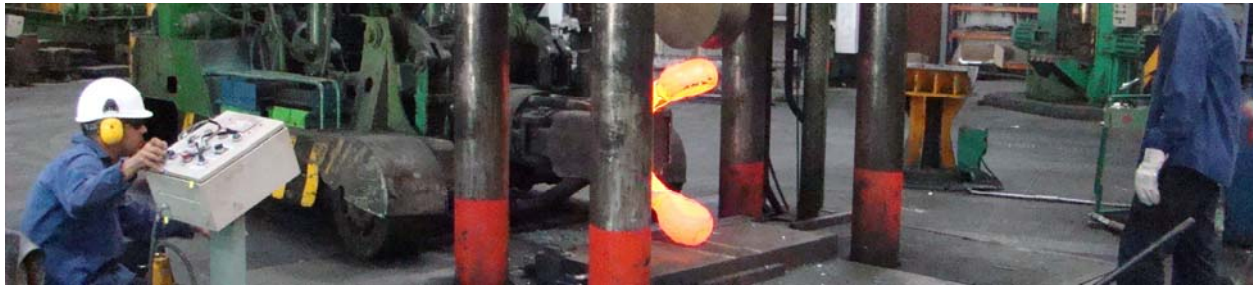
Others: 15% certified ISO / OHSAS

Implantation

About 90% of significant suppliers and subcontractors are certified ISO 14001 or OHSAS 18001, but in three cases, this certification has been suspended as consequence of the current global crisis, communicating to these companies the compromise of VCSA to transfer experience and lessons learned, as well as knowledge and documentation which can be share.

Target


Achieving the implantation system certification of management systems on the basis of ISO14001 & OHSAS 18001 to two more subcontractors, maintaining the existing ones



Implantation Summary Principle 2

Principle 2	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Suppliers	A: Approved suppliers	A: Approved suppliers	A: Approved suppliers	Continuous follow-up and annual evaluation of 100% of suppliers and subcontractor
	T: List of VCSA approved suppliers	T: List of VCSA approved suppliers	T: List of VCSA approved suppliers	

A: Answer T: Target

 No apply for this Principle



Labour





Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.



Labour

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Diagnosis

Indicate if risk factors exist that could put in danger the effective recognition of collective negotiation right.

Response: No. There are no factors of risk for collective negotiation right.

Implantation

VCSA, according to the current legislation, takes part in the Metal Sector Agreement (in Spain the labour conditions depend on activity sectors) and the affairs related to the Unions representation are clearly defined and regulated by law in the Statute of the Workers and the Bizkaia Region Metal Agreement.

VCSA strictly fulfils the second section of the Statute of the Workers that regulates "the rights of collective representation and of meeting of the workers in the company".

VCSA is aware of the importance of freedom of association and collective negotiation, which favors the activity providing the most convenient schedules and changes, providing material resources (meeting rooms, software and hardware), as well as informing and enabling participation at high-level meetings to the representatives of workers.

Target

Guarantee union freedom, freedom of the workers' representatives in their union functions and affiliation freedom of its workers.

Policy

Has the entity a policy of consulting the most company relevant matters with the employees?

Response: Yes. Communication and consulting are considered by VCSA the necessary way to the compromise of all the personnel at all levels.



Implantation

Consequently with previous wording, VCSA holds ongoing effort to get the involvement and compromise of all the personnel involved in the project as a guarantee of future. VCSA held in 2011 an extensive program of meetings, forums and encounters in which have been reported, shared, discussed and learned, being the most systematic and relevant ones the following:.

1. Daily operational 30 minutes morning toolbox meeting to inform and discuss the result of the prior day and plan for the starting one. Responsible personnel for critical operation (general manager included) attend this meeting.
2. Daily HSE 15 minutes. Next to above meeting, this is a specific forum because Safety is the First.
3. Monthly Integrated Management System Meetings: Meetings in the mornings and afternoons with all the workers to comment on the relevant aspects of the last month in relation to health and safety, quality, order book, etc.
4. Symbiosis Meetings: Ad hoc meetings in the morning, evening and night shifts with all the staff to comment on the most relevant information about the actual moment of global crisis and the impact in our company
5. Company Day: Annual meeting with the whole staff for the presentation of the turnover, annual management plan, sales forecast, etc.
6. FRF meetings (Future Relationship Framework). The management team led by the managing director organizes interviews with small group of employees each time (two or three), and the objective is to know the satisfaction rate of the employees about subjects related to the work, Health & Safety, Quality, Environment, Productivity and Recognition. The duration of these interviews is about one hour, depending on the participation of the employees.



Principle 3

7. PCA presentation, is a meeting that is held with the teams involved in carrying out the various fabrications to explain comprehensively and in detail the various points of the specification of the relevant orders. This is intended to increase awareness of individual and group work, encouraging efficiency and commitment of different people.

Target

Improve a 10 % the satisfaction of the employees

Actions

Describe the actions carried out related to this principle during the last year, indicating the group of interest which it is focused.

Implantation

It is an identity reference of VCSA to resolve the legal requirements of applicable law, going beyond those areas where it has been reasonable. "The affiliation freedom and the Effective Recognition of the right to the collective negotiation" have been observed throughout 2011, and has not been any case of labor disputes or claims in relation to this issue.

Representatives of workers, both advocacy of the collective and determination of the economic agreements, as their specific safety delegates have been able to fulfill its mission of representation, both "in house", and abroad, with enough time that by law are given as one another additionally requested.

In year 2011 Union elections have been performed (this event is every four years), and VCSA Management and the former worker representatives have guaranteed that the elections have taken place in a clean and regulated way. The participation rate of the personnel of the company has been in this occasion 67%. The Committee of Representatives of the Workers was constituted according to the votes, and there was no any dispute

VCSA management team agrees with the workers' representatives subjects such as the economic conditions and salary issues, annual working calendar, and ad hoc agreements about other subjects that could affect to any part.



Labour

Principle 3

Regarding to 2011 the Economical & Social Agreement in 2010, clearly impacted by the crisis affecting to our sector, the demand changes that have required a quick adaptation of the industrial organization to customers' request have been complemented with VCSA's commitment for keeping and increasing the employment, despite the mentioned crisis.

Likewise, and in order to provide the workers' representatives with information enough about the company situation for taking decisions and fulfilling their functions:

1. VCSA Management organizes three-monthly meetings to give information relative to turnovers, order book, sale forecast, etc.
2. The president of the workers' representatives has been invited every month to the discussion forums of the Management team, being informed at all time on the relevant facts of the company.

The main points of the Economical & Social Agreement stated in 2010 are:

- Payment of 5% of profit from ordinary activities
- Sign of the Flexibility Agreement (calendar & shift changes, etc...)
- No reduction of the staff
- Increase in maternity and paternity permits.
- Flexible schedule and timetable for better work life balance.

Target 2011

- Employment preservation, converting temporary contract into fixed staff, when possible.
- Better HSE and Training conditions and planning
- Transparency in the managing of the company.
- Improvement of the effectiveness of the communication



Follow-up and Impact Measurement

Has the entity ways for listening, evaluating and doing the follow-up of the attitudes, worries, suggestions, critics of the workers with the intention of learning and acquiring new knowledge? Describe them.

Response: Yes

Implantation

VCSA has continued its policy for listening, evaluating and doing the follow-up of the attitudes, concerns, claims, suggestions and critics of the workers. The communication channels and forums created as exchange-places complement the daily report “El Cadenero”, which is issued and available to all workstations at 05:00 p.m. from Monday through Friday. So:

- Monthly Integrated Management System Meetings: Meetings in the mornings and afternoons with all the workers to comment on the relevant aspects of the last month in relation to health and safety, quality, order book, etc.
- Symbiosis Meetings:
- Ad hoc meetings in the morning, evening and night shifts with all the staff to comment on the most relevant information about annual results, management planning, sales forecast, etc.
- Annual Company Day: meeting with the whole staff for the presentation of the turnover, annual management plan, sales forecast, etc.
- Weekly AyCpC meetings (AyCpC means “Aprender y Conocer para Compartir”, that is “Learn and Know to Share”). Weekly meetings that last 1-3 hours.
- Monthly Operative HSE meetings



Labour

Principle 3

- FRF meetings (Future Relationship Framework). The management team organizes personal-individual interviews with the staff led by the managing director.
- Project PCA meeting. The project manager assembles the involved team to identify critical points, determine action, assign responsibility, and apply suggestions for improvement.

Target

- Get commitment and compromise of all the personnel of the company at all levels of responsibility.
- Implement lessons learnt (own and imported from another organizations)
- Develop and share knowledge
- Increase satisfaction of the personnel to all levels, paying special consideration to shop-floor staff HSE aspects.

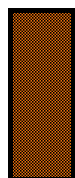




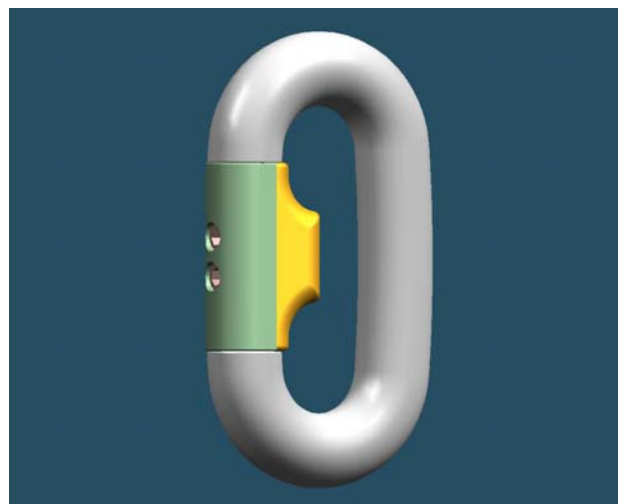
Implantation Summary Principle 3

Principle 3	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Employees	A: Workers' representatives	A: Satisfied employees	A: Get maximum commitment of employees and workers' representatives	Every two years all the personnel is asked about the grade of satisfaction by means of a complete and anonymous questionnaire. Once it is analysed, an action plan for improvement is issued and followed up by Human Resources process
	T: Free election of the workers' representatives	T: Increase the employees satisfaction	T: Increase the employees satisfaction Knowledge Lessons learnt	

A: Answer T: Target



No apply for this Principle





Principle 4

**Businesses should uphold the
elimination of all forms
of forced and
compulsory labour.**



Labour

Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labour.

Diagnosis

Indicate if forced labour is a risk factor in the entity, in view of the type of activity it develops.

Response: No

Implantation

2011 has been a very interesting year regarding to the development of the personnel of Vicinay Cadenas because our company has been awarded with the European Foundation of Quality Management EFQM with the Silver Q, being the issues relative to the personnel highly considered and well scored. Strong and weak points have been clearly defined and integrated in the review of the Annual Action Plan.

The process "Personnel Development" (Human Resources) has continued in 2011 with its mission: "to satisfy the needs of all the persons who collaborate in VCSA's project with the purpose of turning the company into a meeting place where it is possible to share, make up, take part and collaborate in such a form and way that all of them feel valued, satisfied, highly qualified, flexible and self-managed so they can develop their career in a safe environment, and in a climate of harmony, respect and confidence."

Target

Implement the Action Plan 2011 in which identifies strategies to systematize communication channels, to reinforce the habits of living, participate in reducing absenteeism, designing a Structured Equity Plan and strengthen flexibility agreement according to the values determined in this document..

Does the entity offers facilities to its employees to balance professional and personal life, for example, a schedule of flexible work or working from home? Describe them.

Response: Yes



Principle 4

Implantation

The basic elements of the Equality Plan have been already identified and agreed among the involved processes, though the plan has not formally issued. This is a pending task for 2012/13.

The effectiveness of communication channels has been continuously assessed and implemented again after the improvement cycle..

Absenteeism regardless of the occupational incident has been analysed from a new point of view after the conclusions of the specific work-team that has managed this issue.

Immediate and root causes have been identified, agreeing with the processes involved actions with the consequent reduction..

Target

- Reduction of absence from work as consequence of labour accident.
- Design and implementation of Equality Plan

Policy

Has the entity a clear written policy, or there is an agreement, where the number of working hours and the salaries of the employees is determined?

Response: Yes

Implantation

As has been in previous COP, VCSA maintained an economic-labour agreement accorded in 2006 with the worker's representatives, with a 5 years duration (until 2010) which has been extended during 2011. This agreement has been managed without relevant discrepancies, allowing new approaches to collective bargaining.

This agreement has been considered in-house and outside a reference comparing to the sector's conditions.



Principle 4

Target:

Maintain the guidelines of agreement necessary for stability in 2011 based in the agreement during the period 2006-10 because the strategic aims of the company (change in the managing direction once the year 2011 expires, start-up of erection of the new factory in Sestao in 201 and, redesigning of the corporative group after the absorption of another enterprise, duration of the global crisis, etc.) demanded for the sustainability of the company.

Actions

Describe the actions carried out related to this principle during the last year, indicating the group of interest which it is focused.

Implantation:

Group of interest: VCSA personnel

- Flexitime or part-time work for personal needs (individual or family).
- Training in labour time, including some master course or coaching, for those persons from whom qualification is asked or who request improvement in their training.
- Exchange of shift (always agreed) to attend personal needs).
- In case of overtime (when strictly required) compensation by higher percentage of free days agreed with involved personnel,.
- Flexible summer hours when the work post allows it.
- Special shift work hours to decrease stress.
- Enable the pre-retirement condition to personnel getting 60 years being substituted by fixed staff, according to voluntary existing legal possibilities.

Target:

- More effectiveness in the result of HSE management.
- Satisfy employees' needs simultaneously wit company's needs regarding to sustainability and economic viability.
- Facilitate personal and professional development in order to comply with corporative philosophy .
- Zero overtime (without loss of productivity) searching the involvement of the personnel with the company and professional self-development.
- Rejuvenation of the staff, making possible the access to work and/or higher responsibility to young people.



Follow-up and Impact Measurement

Has the entity control mechanisms that guarantee the fulfilment of the established policies related to work timetable, flexibility, over time, and balancing personal and professional life? Describe them.

Response: Yes

Implantation

The philosophy of Vicinay Cadenas regarding to working hours, overtime, reconciling work and family life, etc. has continued in search of personal fulfillment in the occupation that allows the productivity required for the viability of the company as well as the availability of time for personal fulfillment, life balance and personal satisfaction.

Flexibility is an issue required by the staff and, at the same time, demanded by the organization, because nowadays it is more evident than ever that professional flexibility and personal development and qualification contribute to the involvement with the Vicinay Cadenas' enterprise project, making possible the requested adaptation to a market in a continuous and vertiginous change .

Target ,


- Consolidate the optimized information channels to the workers regarding different issues:
 - annual calendar
 - work timetable
 - shift distribution and composition, other schedules and planning.
- Minimization up to the elimination of overtime.
- Adapt VCSA schedules to the needs of each activity process.

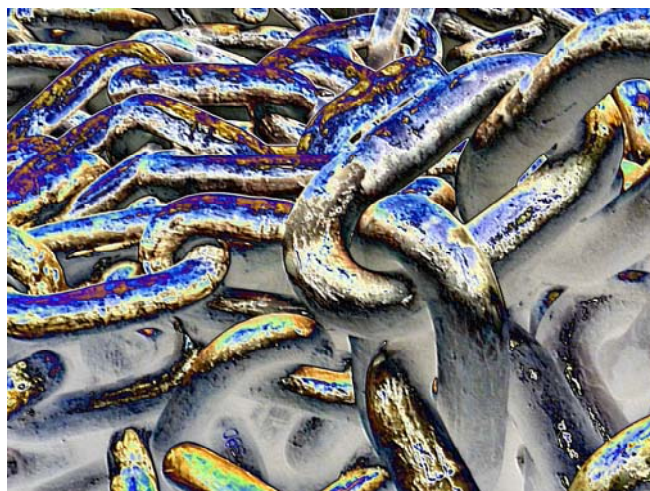


Implantation Summary Principle 4

Principle 4	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Employees	A: Plan the work with the adequate staff.	A: Right salary policy, without discriminations	A: Safe, decent and equitable work	A: Fulfilment of work timetable policy
	T: Balance of personal and professional life	T: Majority accepted economical & social agreement Productivity	T: Majority accepted economical & social agreement	T: Balance of personal and professional life Zero overtime Consolidation of the optimized communication channels

A: Answer T: Target

 No apply for this Principle





Principle 5

Businesses should uphold the effective abolition of child labour.



Labour

Principle 5

Businesses should uphold the effective abolition of child labour.

Diagnosis

Indicate if the child labour is a risk factor in the entity, in view of the type of activity it develops.

Response: No

Implantation

VCSA has not detected any type of child labour among its risk factors, as we clearly assured prior communication reports. Although VCSA understands that it could be possible in any of the groups of interest that identifies, there is not evidence anywhere of this unwanted activity. VCSA identifies suppliers, NGOs, Local communities and Society as its groups of interest, and in 2011 there is no evidence of child labour.

As communicated previously in other COPs, VCSA is part of the corporative group Vicinay Marine that also possesses factories in Brazil and China. In 2011 the evidence of not child labour in these factories is total, and does not even have news that it could take place in its chain of supply.

VCSA, in its CSR policy, has an special sensitivity to the childhood world, sponsoring, according to the policy, activities for children

Policy

Has the entity a clear written policy, where child labour is forbidden, and communicates it?

Response: No, because as mentioned above, it is not a risk factor.



Implantation

Vicinay Cadenas in 2011 has developed the revision 0 of its specific CSR policy, but without specific reference to child labour, because as communicated it is a risk that does not exist in its business or its sphere of influence (there is a reference to Human Rights). The guidance for children has been determined clearly the responsibility of the sponsoring, this group is a prime recipient of an important part of corporate responsibility.

Actions

Describe the actions carried out related to this principle during the last year, indicating the group of interest which it is focused.

Implantation

Vicinay Cadenas in 2011 has kept close contact with the companies of the corporate group Vicinay Marine in Brazil and China, in order to align and share with these organizations policies, values and knowledge. Human rights remain an important aspect of this relationship.



Vicinay Cadenas' project pretends that the persons who make possible this business project together with their families come to enjoy initiatives focused on children (Christmas card contest, children's party year-end, visit industrial facilities in conjunction with school mates, etc.) and in 2011 all these activities have been empowered.

The same has to be said relative to sponsoring local community annual festivals for children of our neighborhood.

In 2011 also maintained a supportive relationship with school, clubs and sports groups, mainly composed of children, whose managers have been asked a commitment not to permit or encourage the use of substances and associated practices that increase yield per above what is considered natural.



Implantation Summary Principle 5

Principle 5	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Employees		A: Child Labour	A: Child Labour	Personnel satisfaction questionnaire every 2 years.
		T: Commitment in the Corporate group	T: Eradicate 100 % in the influence area	Annual action plan for improving this perception with monthly review and quarterly discussion
Suppliers	A: Child Labour			
	T: Keep the actual no risk condition			
NGO and Corporative Social Responsibility with the Community	A: Child Labour			
	T: Influence in order that it is not admitted			
Local communities	A: Child Labour			
	T: Influence in order that it is not admitted			
Society	A: Child Labour			
	T: Influence in order that it is not admitted			

A: Answer T: Target



No apply for this Principle



Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.



Labour

Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Diagnosis

Indicate the direct or indirect risks identified for each group of interest in your entity related to this Principle.

Implantation

Since the moment when VCSA determined to implement consequently its policies and values, the top management leads the necessary actions to ensure equal treatment to all the personnel and does not practise any type of discrimination among the different groups of interest .

In 2011 VCSA has continued reducing the temporary staff, incorporating them as permanent staff.

The equal policy in the remuneration (same work and performance, same salary) has naturally been maintained.

In 2011 the contracting of the necessary personnel has been done following the policy of equality and transparency..

With regard to suppliers and subcontractors VCSA has continued a policy of equal requesting budgets and giving orders based on the best offers and alignment with the principles of our organization.



The global crisis has affected several of our suppliers in 2011 also; companies to be approved by VCSA have been under consideration to allow, where possible, their viability at a time as complex as we living these years.



Principle 6

Policy

Has the entity formulated policies, plans and / or programs of integration and not discrimination of disadvantaged groups such as persons with disability, young people searching their first employment, unemployed major of 45 years, immigrant persons or people in risk of exclusion?

Response: Yes. Vicinay Cadenas is developing already CSR policy and has got plans to facilitate first employment to young people

Implantation

In order to ensure that the work is appropriate to physical condition of the personnel, VCSA has continued improving during 2011 its plan of rejuvenation of the staff in those work positions where this can imply a problem for veteran workers.

Automation and design of robots and automatic manipulators are allowing to perform certain tasks which until recently demanded high physical strength with less effort.

Vicinay Cadenas fulfils the current legislation as far as people with a disability are concerned,

Target

- Rejuvenation of the staff by a retirement planning that fully satisfies those who finish their working life.
- Offer the first job to qualified young people providing the necessary training in-house.

Actions

Describe the actions carried out related to this principle during the last year, indicating the group of interest which it is focused.



Principle 6

Implantation

In 2011 the permanent staff has been increased in 10 persons (4 for Manufacturing process, 1 for Vicinay Marine Innovation, 1 for Integrated Management System process, 3 for Maintenance and Engineering and 1 for Purchasing process).

Temporary staff has been contracted according to needs (proper qualification and accurate assessment of competency) always in the best conditions available in the sector.

During 2011 the policy of contracting young people demanding their first job has been maintained at any moment.

Does the entity promote the effective equality of opportunities between men and women in all aspects, including the access to senior-level management position? Indicate what way.

Response: Yes

Implantation

As mentioned above, Vicinay Cadenas has been developing an ambitious program of automation and robotics to allow access of women in full equality to industrial production process.

The managerial and executive responsibility, as per Annexed Process Mapping, are coordinated by 60% women, a model of organization fully recognized by those who make up the business plan Vicinay Cadenas based on demonstrated competence and efficiency.

Target

Promote equality between men and women at all levels of the organization:



Follow-up and Impact Measurement

Does the entity publish the composition of the Management team and rest of the employees by category, sex, age and other diversity indicators?

Response: Yes. Process Mapping and Organization Chart is published in the VCSA intranet, informations which is available in all workstations

Implantation

Vicinay Cadenas organizes its management model based on processes, and the authority, responsibility and determination of functions have been communicated in an understandable way and widely to all stakeholders.

The graphical representation of the organization intends to focus clearly the goal of equality, and that is why the spherical size that is conceptually removes the dominance of levels, gravitating around the customer, whose needs and interest are strategic and primary objective for the organization. for the organization.






Implantation Summary Principle 6

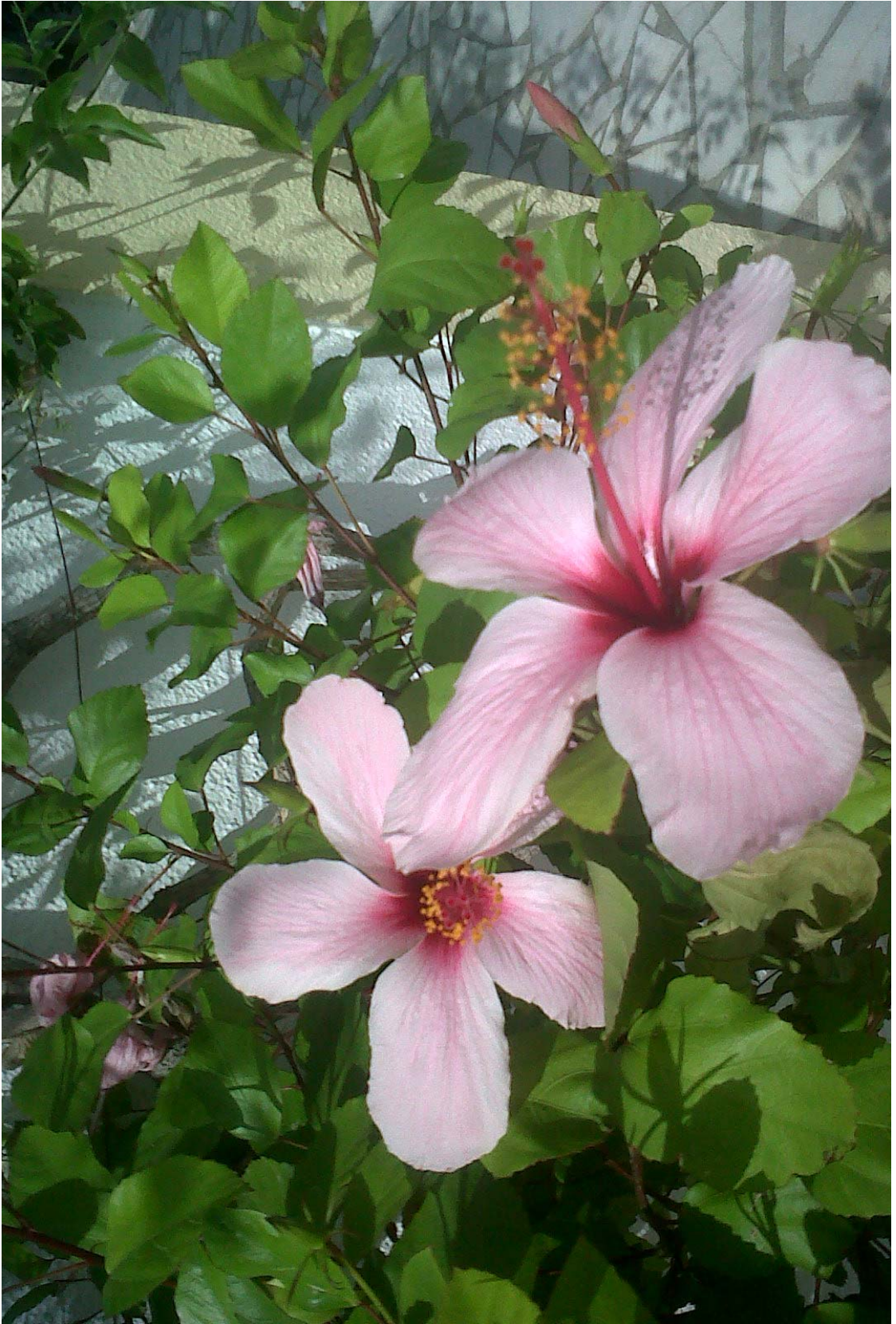
Principle 6	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Employees	A: Discrimination at work	A: First job applicants	A: Equality between men and women. Young people applying for a job	Personnel satisfaction questionnaire every 2 years. Annual action plan for improving this perception with monthly review and quarterly discussion
	T: Assure the equality and no-discrimination	T: Equality between man & women Replace senior workers due to retire with juniors	T: Equal equality in managerial positions. Reduce subcontracted workers and contract young workers	
Several groups of interest				A: Diversity indicators
				T: Equal opportunities

A: Answer T: Target

 No apply for this Principle



Environment





Principle 7

Business should support a precautionary approach to environmental challenges.



Principle 7

Business should support a precautionary approach to environmental challenges.

Actions

Describe the actions carried out related to this principle during the last year, indicating the group of interest which it is focused.

Implantation:

Vicinay Cadenas in 2011 has maintained a continuous effort to ensure the effectiveness in the prevention of pollution by means of an action plan to:

1. Avoid hydrocarbon leaks which pollute the ground and generate hazardous waste.
2. Regenerate and clean used oils picked up in the machines during maintenance operations.
3. Oil release through official recycling company for its recovery and reuse.
4. Soundproof covering noisy operations (TSA/TSC coating, etc.), in order to avoid noise emission and disturbance of the neighbourhood.
5. Timetable limited to reasonable periods agreed with the community for heavy load movements.
6. Hazardous waste generation reduction.
7. Recycling of waste (scrap, refractory concrete).

Energetic efficiency. Consumption management

1. Continuous reduction of CO2 emissions
2. Reduction of energetic consumptions (natural gas, electricity).
3. Reduction of recycled paper consumption.
4. Use of environmental friendly consumables (paints for the identification of the links).
5. Installation of low consume lighting instead of sodium vapour lamps.
6. New testing machine according with the efficiencies rules..

Target:

5% reduction in natural gas and electricity consumption



Follow-up and Impact Measurement

Indicate the number of hours dedicated to environmental training and global investment in environmental protection project.

Response: 1078 hours

Implantation

The number of hours dedicated to environmental training and awareness is as follows:

1. Environmental subjects treated in the monthly meetings: 594 hours with 60% of the total staff attending this reunion, depending on the shifts):.
2. Specific environmental training for the Integrated Management System Audit Team.: 12 hours
3. Environmental Coordinator training (external and internal): 180 hours
4. Meetings specifically related to environmental matters: 192 hours attending different personnel of several processes involved in the content and agenda.
5. Environmental training included in the Reception Plan for all the New VCSA Employees: 80 hours
6. Environmental sensitizing of some suppliers with relevant potential impact: 20 hours

Target


- Maintain the investment in environmental protection despite of the persistent moment of crisis that is affecting to our sector
- Maintain training and sensitization regarding environmental issues.

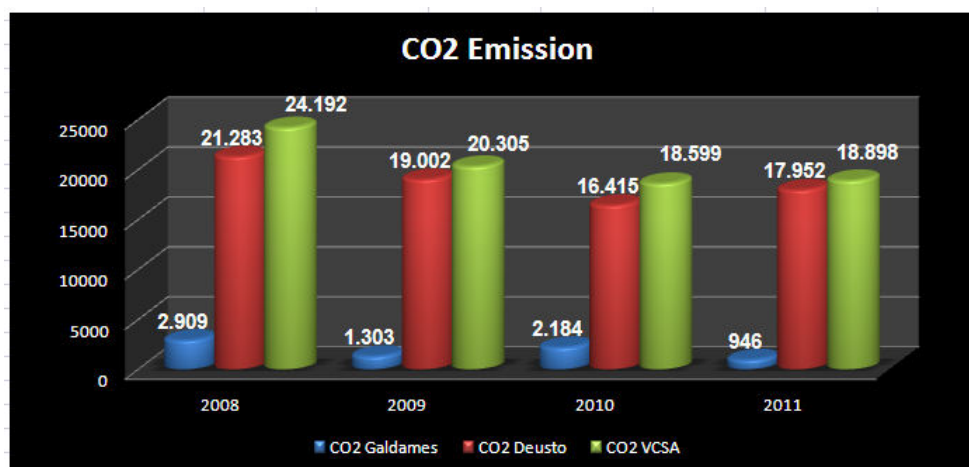


Implantation Summary Principle 7

Principle 7	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Several groups of interest			A: Industrial sustainability	Environmental product declaration (EPD)
			T: Provide comprehensible information about the environmental impact of the product Avoid contamination and promote the responsible consumption	Reduction of 54% of the impact of the significant aspects (which suppose about 90% of the total impact)

A: Answer T: Target

 No apply for this Principle





Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility.



Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility.

Diagnosis

Indicate the environmental risks and responsibilities of your entity, in view of the type of activity it develops.

Implantation:

1. Risk of oil spill as consequence of nonconforming product which produces the failure of the mooring chain in service.
2. The identified risks, due to the fact that VCSA company in 2010 is still is located in a residential-industrial mixed use area, are:
 - Disturbance to neighbours because of noise emission:
 - Chain movement, loading and unloading.
 - Machinery.
3. In-house ground pollution due to:
 - Leaks of hydraulic oil in the machinery.
 - Hazardous waste generation (used oil and absorbent impregnated with hydrocarbon).

Target:

- Risk 1: Manufacture of product ensuring that always meets the specification requirements (standard, codes and contract)
- Risk 2: Zero complaints due to neighbourhood and local community disturbance.



Principle 8

Risk 3 target: Effective maintenance to ensure effectiveness in leakage prevention

- a) Follow-up of the preventive plan of control and elimination of oil leaks,
- b) Regeneration and cleaning of used oils picked up in the machines during maintenance operations.
- c) Oil releasing through official recycling company for its recovery and industrial reuse.
- d) Replacing mineral absorbent with a textile that it is washed for its reuse.

Actions

Has the entity an integrated management policy or a methodology based on an environmental management policy to assure fulfilment of the legality regarding environmental subjects, taking into account the environment in the organization process, as well as the prevention and management of environmental risks?

Response: Yes. In 2011 VCSA has developed a specific Environmental Policy

Implantation

Since 2006 VCSA implements an integrated management system for Health and Safety, Quality and Environmental, and has got accreditation according to OHSAS 18001, ISO 9001 and ISO14001 certified by well-known classification societies .

Target:

Continual improvement of the commitments publicized in the Integrated Management Policy and specific Environmental policy.



Describe the actions carried out related to this principle during the last year, indicating the group of interest which it is focused.

Implantation

1. Again in 2011 VCSA's managing system has been based on processes. The daily environmental management has been developed in each process, and the Integra ted Management System Process has coordinated the different environmental actions.
2. Employees. Raising environmental awareness of the personnel at the different levels of the organization through the following forums/measures:
 - Daily 30 minutes operative meeting
 - Monthly IMS meetings with whole the staff where they are informed about different environmental issues of the company, including the monthly rate of CO₂ emissions.
 - Environmental training meetings.
 - VCSA's daily report named "Cadenero", where articles related to environmental protection are published..
 - Monthly Coordination meetings with the Processes' managers.
 - Forum AyCpC (acronyms AyCpC translation into English "Learn and Know for Share",) dedicated to environmental matters, such as the BP oil platform accident for example.
 - Monthly environmental communication; there is a notice board near the main entrance of the factory where monthly environmental advices and communications are displayed.
 - Visits to others companies that develop good environmental techniques.
3. Suppliers. VCSA has a clear policy regarding to this group of interest, defined along the following lines:
 - Helping other companies in the implementation of Environmental Management System, whenever this is possible.
 - Conducting external environmental audits to VCSA's suppliers.
 - Circulating good environmental practices among suppliers and other groups of interest



4. Environmental - Local community: The following actions were taken last year:

- VCSA has registered three new Environmental Product Declarations (EPD) Label Type III for its products “H” Type Accessories, R3 quality, for mooring chain and “D” Type Accessories, qualities R4 and R5. These declarations have been validated by Environdec, Swedish Environmental Council organism. This shows the emissions of greenhouse gases, expressed in CO₂-equivalents, based on verified results from a lifecycle assessment performed in accordance with ISO 14025.
- VCSA has continued declaring through the “Stop CO₂” Basque Country government project, the rate of CO₂ emissions, maintaining the compromise of their annual reduction through an action plan.
- VCSA has taken part in forums and meetings organized by IZAITE (Basque Country Companies Association for the Sustainability) where its environmentally friendly activities have been explained.
- Three new water cooling towers have been installed resulting more efficient and respectful operation.

Follow-up and Impact Measurement

Indicate the electricity, water and paper consumption data in the year:

- **Electricity:** 0,511Kwh/Tn
- **Water:** 1,21 m3/Tn
- **Natural Gas:** 2,80 Kwh/Tn
- **CO₂:** 0,96 Tn/Tn

Target


- **Electricity:** 0,580 Kwh/Tn (5% Reduction of electricity consumption)
- **Water:** 1,83 m3/Tn (5% Reduction of water consumption)
- **Natural Gas:** 2,80 Kwh/Tn (5% Reduction of natural gas consumption)
- **CO₂:** 1,02 Tn/Tn



Implantation Summary Principle 8

Principle 8	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Several groups of interest	<p>A: Oil spill as consequence of mooring chain failure</p> <p>Nuisance to neighbours</p> <p>Soil and acoustic contamination</p>	<p>A: Integrated Policy of Health and Safety, Quality and Environmental</p> <p>Specific Environmental , Quality and CSR policies</p>	<p>A: Effectiveness in management systems and corporate social responsibility.</p> <p>Respect and methodology</p> <p>Leakage preventive plan</p>	
	<p>T: 100% conforming product</p> <p>Respect and Zero neighbour complains</p> <p>and 5% decrease of absorbent use</p>	<p>T: Match the management system scope</p>	<p>T: Maximum conformity of process and product</p> <p>Social responsibility in all the activities</p> <p>Environmental management in each process</p>	

A: Answer T: Target

 No apply for this Principle





Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.



Environment

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

Actions

Describe the actions carried out related to this principle during the last year, indicating the group of interest which it is focused.

Implantation

1. Vicinay Cadenas has kept the optimization of their electric induction pre-heating units in order to replace his type of machinery for avoiding the consumption of non-renewable resources (natural gas).
2. VCSA has also designed and mounted a new installation of 4000 metric tons load testing more respectful with the environ because lower consumption of energy and resources
3. The installation also includes a new water cooling towers more efficient and respectful. The cost has been 65.658 euros.
4. VCSA has kept on improving the lighting systems of workshops to reduce the electricity consumption. The new systems includes light sensors of latest generation



2011 has been a year of frequent participation and collaboration with different organisms, associations and institutes, public and private, to share good practices, technologies and experiences with industrial organizations and society for promoting a concept which is very relevant for us: Sustainability.



Environmenty

Principle 9

VCSA has maintained the condition VIP member of the “Stop CO₂” Basque Country government project, which consists in the measuring of the company CO₂ emission, and prepares an annual plan to reduce them.

VCSA has tried to improve environmental awareness in all the persons who have visited our facilities insisting in the relevancy of the implementation of lessons learnt, best practices and conscience of impact of small and medium enterprises like VCSA, becoming a reference of CSR in our region, the Basque Country..

Targets

- 5% Reduction of electricity, Natural Gas and water consumptions
- 5% Reduction of CO₂ emission

Diffusion of EPD program as a good practice for other enterprises

Total investment on the total gross income in the year, for the development and the spreading of environmentally friendly technologies.

Response: 2.04%





Implantation

VCSA has integrated the environmental considerations in all its activities and processes, for example I+D+i is applied to the new qualities design focusing on minimizing their possible impact during the whole lifecycle (cradle to cradle).

This includes minimizing the consumption of resources necessary to get the laminated bar, our raw material, manufacture of the chain, its service life, dismantling and final recycling. The amount of the investment in these high quality chains was 2% more than in 2011.

The improvement of the lighting of workshops with a cost of 31.247,25 euros.

The development of a new installation of testing ~~induction pre-heating system M4~~ to avoid consumption of non-renewable resources with a cost of 1.950.000 euros.

VCSA, in an effort to reduce the CO₂ emissions is replacing the gas powered furnaces with electric heaters.

The total these two concepts sum is 248.635 Euro.






Implantation Summary Principle 9

Principle 9	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Several groups of interest			A: Environmentally friendly technology	
			T: Energy efficiency and environmentally friendly	

A: Answer T: Target

 No apply for this Principle



Anti-corruption





Principle 10

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



Principle 10

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

Diagnosis

Does the entity make a diagnosis to know the riskiest areas inside the entity and in its activity sector?

Response: Yes

Implantation

Vicinay Cadenas during 2011 has continued assessing the risk related to no ethical behaviour in its activity sector, even more with the global crisis affecting at the present business time, and although it has not been detected any corruption form, this matter is clearly relevant and needed to be considered as a potential risk.

Has the entity a defined written policy or does it use any method of explicit rejection against corruption, extortion and capital laundering procedures?

Response: Others

Implantation

After management review in January 2011, the general director signed the extension of the Integrated Policy 20120 with the intention of complementing this document with specific policies (Environmental, CSR and Quality). There is a clear reference to ethical behaviour, what has been transmitted to the representatives of some groups of interest in a clear way that in any way reprehensible misbehaviours such as corruption are considered admissible. Furthermore, nowadays there is a total concordance among all the members of VCSA about the relevance of this principle.



Target

All the persons who work and collaborate with VCSA must act with integrity and sharing a common ethical behaviour.

Actions

Describe the actions carried out related to this principle during the last year, indicating the group of interest which it is focused.

Implantation

In the year 2011 contractual relation has been exempted from any kind of irregularity. No corrupt practises have been detected and it has been continuously pretended a mutual profitable understanding with all the parts involved .

VCSA has continued offering its products to its customers on the basis of price lists, established and communicated before signing the contract.

The five year social agreement (2006 – 2010) has been signed to extension with the social representatives over 2011, working satisfactorily, and at the end of the year new negotiations have started in order to get a new agreement for another period which is pretended to last several years again.

The result of the business 2011 has been communicated to shareholders and investors without any discrepancy.

Suppliers and subcontractors have collaborated with VCSA under a reasonable understanding climate, without irregularities regarding to any form of corruption, and always trying to share the workload as fairly as possible in order to help their viability.

The funds destined to support social activities (described in the first chapter) have been used strictly under an application of CSR criteria.



Anti-corruption

Principle 10

VCSA has collaborated on several initiatives to enhance and extend good practice, especially environmental, where VCSA has played a significant sensitizer in terms of awareness of the importance of communication about potential impacts of the process and the cycle of life of the product.

Vicinay Cadenas' managing direction has continued paying attention and respect to the local community in order to prevent non positive relationship as consequence of any disturb and/or pollution. The result is a satisfactory ethical understanding and the absence of complaints and claims.

2011 has been again a satisfactory year with a adequate relationship with the administration and authorities having no legal infractions occurred.

The brand new high technology products supplied to our customers ensure that our chains and accessories are friendly for the environment and they have been produced with no corrupt practices.

The management team often speaks with the workers' representatives in order to reduce the gap of historical antagonism.

Follow-up and Impact Measurement

Indicate if the company has communicated to its groups of interest the entity conduct codes and policies against corruption and bribery. Indicate in the note field the percentage of every group of interest who know them.

Response: Others

Implantation

The company has not established an official communication channel about its conduct code towards its groups of interest, because there have been no cases of misconduct. However, the company has a close relationship with its groups of interest, whereby letting them know that VCSA ethical conduct and integrity of the persons is a fundamental principle.



Target

The aim of our company is to carry out ethical management practices that allow its groups of interest to keep the confidence in their mutual relationship.

Vicinay Cadenas pays attention and respect to the local community in order to prevent discomfort and any pollution in order to avoid complaints and claims, because the chain manufacturing plan is in a mixed residential-industrial area.

To offer and require to the suppliers an ethical relationship, which is important at the present time, distributing the various orders according to best offer and support the sustainability of other Enterprises.

Has the entity a well structured economic-financial management system ruled by the commitment and transparency (according to the current legislation). Indicate acquired commitments.

Response: Others

Implantation

Vicinay Cadenas operates under a well structured economic-financial management system that follows a policy of transparency and right government, although a specific regulation in this aspect is not developed.

Target

The company is ruled by an economic-financial management system whose aim is to assure the business profitability so VCSA can fairly remunerate all its groups of interest, keeping the financial viability of the company and contributing to the development of its social environment in a transparent way.



Implantation Summary Principle 10

Principle 10	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Customers	A: Market research and necessities	A: Integrity in the contractual relationship	A: Upright contractual relationship	Client's satisfaction measurement and management of claims and suggestions
	T: Managerial leadership and satisfaction of the customers	T: Meet the requirements	T: Meet the requirements	
Employees	A: Not enough implication and compromise in the project	A: Integrity in the contractual relationship	A: Upright contractual relationship	Personnel's satisfaction measurement and management of claims and suggestions
	T: Persons who live of, in and with VCSA	T: Satisfied and implicated persons	T: Satisfied and implicated persons	
Shareholders	A: Deficient investment return	A: Persons compromised with the project	A: Persons compromised with the project	
	T: Economical profitability	T: Economical profitability that attracts the capital	T: Economical profitability	
Investors	A: Changing markets that dissuade the investment	A: People who trust the management	A: People who trust the management	
	T: Efficient management in order to get economical profitability	T: Satisfactory return of the investment	T: Satisfactory return of the investment	



Implantation Summary Principle 10

Principle 10	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Suppliers	A: Ally/partner's feeling	A: Integrity in the contractual relationship	A: Integrity in the contractual relationship	
	T: Ethical compromise of the suppliers with the project	T: Relation mutually satisfactory	T: Product/service OK. Profitable relationship	
NGO and Corporative Social Responsibility with the Community	A: Approach not aligned with the strategy	A: Social responsible sponsorship	A: Social responsibility	
	T: Involve to all the company in the CSR	T: Support the reduction of the corruption	T: Support the reduction of the corruption	
Local communities	A: Respect the local community	A: Social responsibility	A: Social responsibility	Local community's satisfaction measurement and management of claims and suggestions
	T: Respect and support	T: Support the reduction of the corruption	T: Support the reduction of the corruption	
Society	A: Offshoring of the company	A: Social responsibility	A: Social responsibility	Society's satisfaction measurement and management of relationship
	T: Keep the plants in Basque Country	T: Support the reduction of the corruption	T: Support the reduction of the corruption	



Implantation Summary Principle 10


Principle 10	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Government and Public Administrations	A: Legislation sometimes not very realistic	A: Go beyond the legal fulfilment	A: Go beyond the legal fulfilment	
	T: Collaborate with the administrations for a better compliance	T: Fully collaboration with the administration	T: Fully collaboration with the administration	
Environmental	A: Pollution	A: Protect the environment through sustainability	A: Protect the environment through sustainability	
	T: Prevent the pollution and decrease the noise emission	T: Prevent any type of nega pollution	T: Prevent the pollution	
Mass Media	A Defective analysis while transmitting news	A: Be clear and communicative with the media	A: Be clear and communicative with the media	
	T: Communicate and collaborate	T: Share knowledge and good practices with the society	T: Share knowledge and good practices with the society	
Unions	A: Historical prejudice that supports the confrontation	A: Management for the improvement of labour conditions	A: Management for the improvement of labour conditions	



Implantation Summary Principle 10

Principle 10	Diagnosis	Policy	Actions	Follow-up and Impact Measurement
Knowledge Web	A: Deficient knowledge management	A: Development of new ideas	A: Creativity and innovative solutions	
	T: Improve the self knowledge	T: Improvements clean and environmentally friendly	T: Improvements clean and environmentally friendly	
Other groups of interest				A: Right government
				T: Social profit with transparency

A: Answer T: Target

 No apply for this Principle



Methodology





METHODOLOGY

Diagnosis

It is necessary know the present situation in order to know what needs has the entity. The indicators of diagnosis allow us to identify what policies, actions and follow-up is done by every Principle.

Policy

They come gathered by means of qualitative indicators that define the frame of action in which there are structured the actions and the mechanisms of control and follow-up of the entity.

Actions

They are implemented to fulfil the policies. They come described by means of qualitative and quantitative indications. Input: It is necessary an input to know what type of actions should be implemented. Dispensing these inputs useless or unnecessary actions could be implemented.

Follow-up and Impact measurement

Evaluation and control of the results obtained of the implemented actions. It comes reflected in the qualitative raised indicators. Output: Necessary to announce the results to be able to receive again ideas on possible necessary improvements.



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