

COMUNICACION ON PROGRESS

January 2012 to December 2012



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MESSAGE FROM THE PRINCIPAL

Techno Steel Processing de Mexico SA de CV (TSP) has adopted the Global Compact Initiative, which involves carrying out our business operation and our relationships with employees, suppliers, costumers, community and environment, respectfully, aware and committed, in order to be self-sustainable, by dedication, team work, and top management involvement.

In TSP we believe that the 10 principles match our vision and policies to conduct business and respect our environment and community.

For TSP, joining to the Global Compact has meant a great opportunity to ensure a guide line to keep a self-sustainable company committed to our Employees and Society, allowing our customers to rely on a trustable company that directs its effort to preserve the environment as all the companies listed at the Global Compact Project.

We present our Communication on Progress, and reaffirm our commitment to the Global Compact Initiative since 2011.

Kenji Yamanaka

General Manager



ABOUT US

TSP is a steel service center specialized on trading and processing Electrical, Stainless and Coated Steel.

We have been present in the Mexican market for over 10 years, establishing bases for a solid company committed to the growth and customer satisfaction thru an offer of products that can meet or exceed the customer expectations.

TSP has been a successful and responsible company with continues growing and improvements, adopting policies and practices that allow us to be better with our community and our customers.

Our employees consider us as a reliable company committed to their safety, environmental friendly and worried on their welfare and their families.

OUR PHILOSOPHY

Living and prospering together with people, society, and the Earth, we aim to be a value-generating company that contributes to the creation of the prosperous society.

OUR VISION

Every member of TSP will pursue “breakthrough” and “co-creation”, as we focus on growing businesses and generating synergies in the three key fields of Mobility, Life & Community, and Earth & Resources. Through these efforts, we aim to realize a balanced business portfolio.

BEHAVIORAL GUIDELINES

As a good corporate citizen, we will:

- Implement open and fair corporate activities
- Fulfill our social responsibilities and conserve the global environment
- Offer creativity and provide added value
- Respect people and create an active working environment filled with job satisfaction

HUMAN RIGHTS PRINCIPLES

Principle 1

Business should support and respect the protection of internationally proclaimed human rights.

Assessment

TSP is fully committed to respect human rights and equal opportunity among all the workers and applicants.

Implementation

TSP has an employee's manual given to every worker at the moment of joining the company where is stated the equal opportunity and no discrimination policy.

Also establish the working time that meets the national laws recognized by National Commission on Human Rights Mexico.

Measurement of Outcome

Top management is always worried on complying with respecting and protecting human rights, therefore they maintain a policy of open doors in order to receive any complain or suggestion regarding any violation or transgression of this rights.

On 10 years we have not got any formal or informal complain of violation or not respecting the human rights.

Our goal is to keep this clean record of "0" (Zero) complains.

Principle 2

Make sure that they are not complicit in human rights abuses

Assessment

All TSP is aware of the importance of human rights, therefore we do not accept any kind of discrimination nor any kind of behavior that might become a transgression to theirs rights.

Implementation

TSP implemented a yearly survey where collects the comments and suggestions from all the employees. This survey has a space where the worker can express any concern with safety, environment and human rights.

Measurement of outcome

TSP has a report on work environment which is reviewed and analyzed at the management review once a year.

Our goal is to keep at least 85% of satisfaction on our workers. Our score at this moment is 85.44% of satisfaction.

LABOUR PRINCIPLES

Principle 3

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

Assessment

TSP is fully committed to respect local laws, therefore we accept our workers to join to any trade union of their choice, without any harassment from management.

Implementation

TSP publishes and updates their compensations on the employee's manual. This manual is given to every worker when they join the company or when it is updated.

This manual is reviewed on a yearly basis by top management considering all the suggestion and requests from workers.

Also TSP is committed with the development of workers, once a year during management review are presented the applications for scholarships for workers that are interested on learn or improve their skills.

TSP keeps a safety program with a training schedule that is strictly follow and reviewed by top management; also we hold two safety meetings per month involving workers and management plus a short weekly meeting where workers are reminded of the internal safety regulations.

Measurement

Our goal is ZERO accidents. We have implemented a reward system by teams where we stimulate the awareness of safety not only on ourselves but also caring on the safety of our coworkers.

During this 2012, 10% of our people apply for a scholarship for training on different fields, from quality to maintenance and electronics, all those scholarships were approved.

Principle 4

Business should uphold the elimination of all forms of forced and compulsory labour

Assessment

TSP is committed to respect local regulations and international standards so our working hours meets the established by federal law in Mexico.

Implementation

Our working hours are published at the worker's manual delivered to every worker at the moment they join our company.

When there is need of additional time, workers are asked who is willing to attend this extra hours. This time is paid also accordingly with what is stated at the federal law in Mexico.

Measurement

Top management receive a weekly report of the working hour of every worker, during this 2012 TSP has been managing to keep the overtime on less than 1hour per person (average).

Principle 5

Business should uphold the effective abolition of children labour

Assessment

TSP is aware and respects federal labour law, also we are aware of the Minimum Age for Admission to Employment or Work agreed at the ILO conventions (Minimum Age Convention No. 138 and the Worst Forms of Child Labour Convention No. 182) which we follow.

Implementation

All workers hire at TSP are properly register under the Mexican Social Security Institute (IMSS), this give us certainty that the information provided by the worker is truthful and comply with the minimum age required to perform a work on our company.

Measurement

There is an external company which preform an annual audit to TSP, and one of the items subject to review is that all employees are properly registered in the IMSS. So far there has been zero discrepancy on our records.

Principle 6

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

Assessment

TSP believes on equal opportunity, therefore we do have a no discrimination policy. Our staff is conformed of people of different background, age, religion and sex with no prejudgment on the activities that they can perform, giving every one of them the opportunity to do their work and then to be evaluated.

Implementation

TSP has a document where states the position's profile and a skill evaluation and approval program. Those documents are reviewed and performed by Top Management and Leaders assuring that the evaluations are done impartially.

Measurement

Position's profile and skill evaluation and approval program are part of our ISO 9001:2008 quality system. We perform at least one internal audit per year. Also we are audited at least once a year by an external company under ISO quality system standard.

We are very proud that we have Zero non conformances regarding those subjects.

ENVIRONMENT PRINCIPLES

Principle 7

Businesses should support a precautionary approach to environmental challenges

Assessment

TSP is committed to preserve our environment as is stated at our Vision, Philosophy and also at our Behavioral guide line.

Implementation

Although TSP has not a specific department dedicated to environmental issues, we comply with all federal and local regulations. All the wastes product of our daily operations goes to authorized deposits. We hire companies that comply with all federal and local regulations including proper permits to transport and deposit regular wastes and also hazardous wastes.

We have a temporal deposit to handle hazardous material where we keep a restricted access and a diary were we keep the record of what is the material held there and when it was disposed and who was the responsible to carried out of the company.

We submit an annual report to the federal government where we establish the destination of our wastes.

Measurements

We have been complying whit our reports on time, complying with all the regulations required resulting on Zero fines or no compliances from the government.

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility

Assessment

TPS is committed to promote among their people to create a better mind and responsibility toward environmental issues.

Implementation

We have a Kaizen Program dedicated not only to improve production but to any aspect that can be improved including environmental issues. There is a committee that reviews those Kaizen's ideas where the best idea is voted and rewarded every month.

Also we have implemented the purchasing of printers that allow us to print on both sides of the page, we installed new lamps at production site that save energy and also we installed skylights to reduce the use of energy.

Measurement

As a result of this program we have implemented the use of paper on both sides to reduce the use of paper, also to copy most of our documents on both sides of the paper.

We reduce the purchasing of paper this year, even it was not a big figure we are working on the use of less paper.

Our consumption of electricity was reduce on 5% and we still working on improving this figure.

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies

Assessment

TSP believes on procure to their customers products that are continuously improved.

Implementation

Kaizen ideas has giving us the opportunity to implement small improvements every time, allowing us to improve our production and helping us to discover new ways to do our daily work.

Measurement

As a result of the implementation of this ideas, we have reduce the use of packing material and the optimization of the material we process, although we do not have specific number on the reduction of packing material we can see this figure on the payments done to our suppliers.

We are working on a proper way to set and measure those goals.

TRANSPARENCY AND ANTI-CORRUPTION

Principle 10

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

Assessment

TSP does not tolerate any type of corruption among their workers, suppliers or customers. At our employee's manual we established our basic behavior guide line to deal with customers and suppliers, mentioning also that we have open doors to receive any report from any one that try to corrupt our company.

Implementation

TSP publish and deliver its employee's manual at every worker at the moment that joins our company or at any moment there is an update, this manual give a basic understanding but not limit the behavior that we have to follow always within the law and moral.

We have a yearly audit from an external company which audit all the income and expenses of TSP keeping and tracking the destination of all the payments from or to the company, allowing us to keep a clean record.

Measurement

TSP has a principle of trust on their workers, during this 2012 no cases of corruption were reported, and the company is proudly to say that has not given any bribery or facilitation money to any government office or any other entity.

End of report