

Global Compact

Annual Communication on Progress 2012.





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Letter from the management

To whom it may concern:

Another year has passed and it is therefore time to communicate to our stakeholders the degree of progress in our commitment to the Global Compact principle. It gives me great pleasure to introduce this report by saying that Vicinay Cadenas' sustainability strategy defined for 2012 and forthcoming years has shifted significantly to a better alignment with the said principles, defining goals and objectives which are more clearly focused on the proposals of the UN.

The results presented in this Progress Report demonstrate the involvement of a team which wants to transcend the limits of our organization, raising awareness within our value chain, both up and downstream. Based on the results of our evaluation reviews we can say that, as a group, we are able to integrate into your daily activity many of the best practices suggested by the Global Compact in its Principles. These Principles form a reference framework which the management team considers essential.

That is why, once again, on behalf of those who are leading this business project, I want to express our strong support for the Global Compact and the clear commitment to its initiatives and principles.



*Jesús Navas
Managing Director Vicinay Cadenas, S.A.*



The company

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: Jesús Navas

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 the different processes of the organization.

Submission date: 2013.1011

Responsible: Jesús Navas

Report category: A

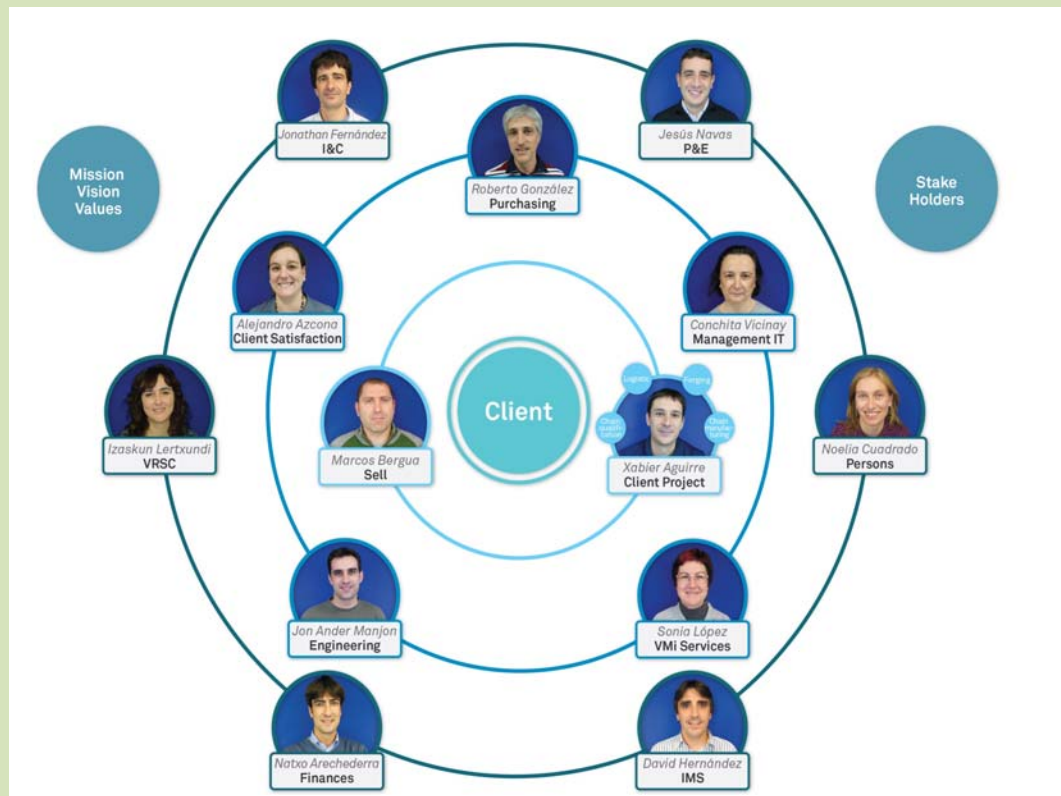




The company

Organization and assignment of responsibilities

VCSA 's organization model is a process based management system, as shown in the following mapping



P&E: Policy & Strategy; Managing Direction

I&C: Innovation & Creativity

Purchasing: Purchasing

Client Satisfaction: Monitoring and enhancing customer satisfaction

Management IT: Technology of information and Computer

VRSC: Corporative responsibility

Sell: Commercial activity

Client Project: Manufacturing and logistic of chain and accessories

Persons: Human development and management

Engineering: Engineering and maintenance

VMI Services: Vicinay Marine Innovation services

Finances: Economic and financial activity

IMS: Integrated management systems (HSE+Q)



The company

Company's sustainability and financial performance

Vicinay Cadenas is a family company whose financial policy is mainly based on stable, long-term investments that give sustainable continuity to the business.

The results obtained by the company in 2012 are as follows:

BALANCE SHEET

| | 2012 | 2011 |
|--|----------------|----------------|
| NON-CURRENT ABSETS | 71,700 | 63,069 |
| Intangible fixed assets | 15,320 | 15,193 |
| Tangible fixed assets | 38,807 | 31,908 |
| Long-term investments in group and associated companies | 460 | 474 |
| Long-term financial investments | 60 | 135 |
| Deferred tax assets | 17,053 | 15,379 |
| CURRENT ABSETS | 71,237 | 53,649 |
| Inventory | 14,721 | 11,438 |
| Trade and other receivables | 47,576 | 31,535 |
| Short-term investments in group and associated companies | 5,192 | 7,772 |
| Short-term financial investments | 252 | 1,007 |
| Accruals | 185 | 166 |
| Cash and other equivalent liquid assets | 3,311 | 1730 |
| TOTAL ABSETS | 142,937 | 116,737 |
| NETWORTH | 45,174 | 49,821 |
| Equity | 44,709 | 48,260 |
| Capital | 9,165 | 9,165 |
| Reserves | 29,957 | 37,050 |
| Profit/Loss for the financial year | 5,587 | 3,315 |
| Interim dividend | | (1,270) |
| Subsidies, donations and legacies received | 465 | 561 |
| NON-CURRENT LIABILITIES | 18,401 | 10,935 |
| Long-term debts | 9,361 | 1,699 |
| Deferred tax liabilities | 9,040 | 9,236 |
| CURRENT LIABILITIES | 79,362 | 56,981 |
| Short-term debts | 18,295 | 31,973 |
| Short-term debts with group and associated companies | 658 | 367 |
| Trade and other payables | 60,409 | 24,641 |
| TOTAL LIABILITIES | 142,937 | 116,737 |



The company

The company has continued with its policy of investing to improve its industrial processes. During the 2012 financial year there was a net investment of around 7 million Euro (6.3% of income), which includes among other aspects the automation of part of its facilities, which led to notable increase productivity in these areas.

| PROFIT AND LOSS | 2012 | 2011 |
|---|----------------|----------------|
| ONGOING OPERATIONS | | |
| Turnover | 106,027 | 82,229 |
| Change in stocks of finished products and work-in-progress | 2,320 | 2,992 |
| Work performed by the company for fixed assets | 1,651 | 3,283 |
| Supplies | (63,239) | (53,054) |
| Other operating income | 585 | 110 |
| Personnel costs | (13,727) | (12,575) |
| Other operating costs | (20,038) | (12,459) |
| Amortisation/depreciation of fixed assets | (8,134) | (7,464) |
| Allocation of non-financial and other fixed-asset subsidies | 257 | 224 |
| OPERATING PROFIT/LOSS | 5,702 | 4,296 |
| Financial income | 36 | 32 |
| Financial costs | (1,292) | (1,212) |
| Change in fair value of financial instruments | 211 | 129 |
| Exchange rate differences | (244) | (812) |
| FINANCIAL PROFIT/LOSS | (1,289) | (1,863) |
| PRE-TAX PROFIT/LOSS | 4,413 | 2,422 |
| Corporation tax | 1,174 | 893 |
| PROFIT/LOSS FOR THE FINANCIAL YEAR | 5,587 | 3,316 |

The 2012 financial year has been characterised by an increase in business activity compared to 2011, providing the market with high value added solutions resulting from the investments in product and process innovations carried out over the last few years and which provide the company with its main competitive advantage in the offshore market.

This has translated into an increase in turnover of 30% and in profit for the financial year of 68% with respect to the previous year.



The company

In 2012 there were also large investments in research, development and innovation, for a gross figure of 5.6 million Euro (5.6% of income spent in R&D). These investments have resulted in R&D projects, run by the company itself and in collaboration with others, in the areas of products, processes and the market, many of them have been supported by the regional, national and European governments.

Performance indicators

| | |
|--|--------------------|
| DIRECT ECONOMIC VALUE CREATED (EVC) | 110,840,583 |
| ECONOMIC VALUE DISTRIBUTED (EVD) | 105,527,763 |
| Suppliers | 83,134,715 |
| Employees | 13,726,698 |
| Providers of capital | 9,699,185 |
| Society | 72,941 |
| ECONOMIC VALUE RETAINED (EVR) | 5,312,820 |

Distribution of the value generated among stakeholders





Policies and strategy

Vicinay Cadenas, S.A.'s governing body is the Board of Directors which acts as a body supervising the work of the General Management, represented by the Executive Chairman and the CEO.

During 2012 there was a change in the CEO after the retirement of Luis Cañada in December 2011.

The Board of Directors meets a minimum of three times a year, in addition to holding the Annual General Meeting. This body consists of 5 members, among whom are the Chairman of the company, who is also Chairman of this Board. Some of its members are independent and the rest work in the business. To comply with that established in article 229 of the Revised Text of the Capital Company Law (introduced by Law 26/2003, of 17 July), the members of the board declare that their functions outside this board do not result in any conflict of interest with their position within it.

The General Meeting is responsible for ratifying, changing, increasing or decreasing the members of the Board of Directors, as well as the remuneration or requirements for forming part of this.

Given the close relationship between the Board of Directors and the Executive Management of the company, the communication is direct, receiving firsthand the figures and information on the organization while also having a close day-to-day relationship with all the management and operating levels in the company.

The General Management bases its management style on the organization of processes, as well as the ownership, publication and dissemination of the integrated policies for management, occupational health and safety, the environment and quality, as well as taking on the coordination of the planning and strategy process.

.....

During 2012 we have carried out a process of strategic reflection involving most of the people in the company. As a result of this exercise we have reviewed our Mission, Vision and Values, coming to a mutual agreement on their form and substance, and these have been disseminated and adopted equally by everyone in Vicinay Cadenas.



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 focusses its business:

- On the conception, design, production and delivery of high value added products and services, adapted to the customers and largely aimed at the offshore industry.
- Carrying out its activity in a way which is innovative, socially responsible and safe and which allows for sustainable growth.
- Basing itself on the capacity and emotional intelligence of the employees.
- In collaboration with allies, shareholders, customers, suppliers, knowledge centres and other stakeholders identified.
- Starting from Bilbao-Bizkaia and operating throughout the world.

Vision 2015

VCSA builds for the future:

- With a desire for our company to be recognised as the leading brand in the world for its quality, safety and good relationships.
- With personnel capable of adapting to and managing diversity and change, so that we can achieve our business targets.
- Making our company a meeting place and a place of fulfilment for our personnel, customers and other stakeholders.



Philosophy

Health & Safety 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 Health & Safety in all the Processes of the company in order to become, through continuous improvement, a “Zero accidents” and a “Zero occupational diseases” organization.
- Spread the Health & Safety culture to all members of the company.
- Achieve an individual and collective behaviour going beyond compliance which is always provided by the organization.
- Improve the results of the Health & Safety management on the basis of lessons learned, comparisons with related companies, advanced management practices and our own emotalent*
- Ensure that this organization is widely recognized for the way in which we develop our Health & Safety management.

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

*Emotalent: combination of emotion + talent



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

*Emotalent: combination of emotion + talent





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

*Emotalent: combination of emotion + talent



Values of the company

Philosophy

Respect

Treating everyone as an individual, with a spirit of fellowship, without harassment or vilification and creating environments that are relaxed, friendly and polite.

Safety

The personal and collective right and responsibility to work without harm to people, working equipment or the environment.

Innovation

Commitment of the staff to using their emotional intelligence to do things that are not currently done and that add value to people and to the organization, accepting the risk of failure.

Belonging

To be in and with VCSA provides satisfaction for the people taking part in the business

Commitment

Active and sustained commitment to the organisation and the society in which it operates, reflected in our stakeholders and our planet.

Growth

Technological, human and in the results, to allow us to be leaders in our sector.



Values of the company

| Philosophy | Sharing | Considering the business as their own, working as a team, sharing successes and failures emotions and talent. |
|------------|--|---|
| | Learning | The enthusiasm and effort to keep knowledge permanently updated so it can be applied to our business. |
| | Honesty | Working so that we share accurate information with our stakeholders and in all our actions prioritizing safety, quality, deadlines and cost, in that order. |
| | Equality | Helping to avoid differences without taking into account motivations of any type. |
| | Sustainability Economic, Environmental & Social | Organization that satisfies the needs of the current generation without sacrificing the needs of the future generations. |

The implementation of Vicinay Cadenas S.A.'s vision, mission and values is through the correct development of a strategy focused on the stakeholders.

Human Rights





Principle 1

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



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) focus the protection of Human Rights in the different aspects related to its own activity and in relation with the shared aspects of the value chain and another groups of interest.

Target

VCSA throughout 2012 has continued developing its technical capability in a permanent way for searching the resources and work conditions to provide a healthy and safe performance, basing the task of the OHS team activity on three key points focused on the consecution of the people commitment :

- Preventive leadership
- New organization of Integrate management Systems process (HSE is part of it)
- HSE campaigns

Heath and Safety Management is a strategic aim for the company and the significant reduction obtained in 2012 is the result of the above mentioned points supported on 70% of the complete investment programme for the year.

Culture or the organization which has to be upgraded to the required level by means of an ambitious training and indoctrination plan.

A relevant part of our value chain (suppliers and subcontractors) have continued being incorporated to all these initiatives, and the VCSA's influence has been considered always aligned with the corporate social responsibility



Preventive leadership

People's commitment to the shared safety project

The proposal has been to make health and safety strategic value for the company, driving a management model based on the deployment of Preventive Leadership. With this model we are seeking to involve people in the occupational health and safety project through their active participation.

The year 2012 has been crucial in establishing the foundations of a new representative organizational model, implementing this and increasing the involvement of the staff in the company's safety project. This work, which has already begun, establishes the path to follow for consolidating the integration process, although we are aware that full implementation, involving all activities and all levels of responsibility, is a goal requiring a long term process

HSE organizational changes in year 2012

In 2012 the milestone was the creation of the role of the Verifier, personnel from the plant with a good awareness of the production process who improve effective operational control, detecting and correcting conditions and behaviour, particularly focussed on the control of critical operations.

In addition, there has been work on the management of the key aspects of OHS, doing this on the basis of a multidisciplinary focus from the OHS team, consolidating the use of teamwork with the participation of people from different areas, encouraging effective communication and greater involvement in the OHS projects being run.

We have also strengthened the OHS team, adding a new person to the team with extensive experience in the management of OHS.

HSE campaigns

We have continued to implement specific plans to control the most common problem points.

- In the Deusto facility, the "Floor Monitoring" campaign has led to a 100% reduction in the accidents caused by stepping awkwardly on uneven floor surfaces, encouraging the monitoring of problems and rapidly acting to repair them.
- Similarly, there has been a great deal of work on product control to avoid congestion in the facilities, correctly coordinating all the teams involved (manufacturing, dispatching, project coordinator and OHS) and carrying out the appropriate intervention at times of greatest build-up.
- As part of the Galdames "Safe Goods Handling" campaign, different elements of lifting equipment (magnets, chains, corner fittings) have been purchased, and there has been work to analyse the incidents related to handling goods, studying the problems and proposing improvements in the monthly meetings with the staff in the factory.



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 2012 its Integrated Policy, considering it is valid together with specific policies for Health and safety, Quality, Environment, CSR and others developed during these last months.

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, because we understand clearly that share and alignment of these concepts is very relevant for the future of the project.

Target

The key to the effective management of occupational health and safety is to ensure that the staff is committed to the project. To strengthen this commitment there have been awareness raising sessions for both new joiners and existing personnel, paying particular attention to people changing jobs and functions within the organization.

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.

The Groups of Interest are indicated together with the different actions in the summary correspondent to this principle.



Human Rights

Principle 1

Implantation

During 2012 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 2012 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.

In 2012 there were 4,160 hours of OHS training (1.03%). OHS training accounted for 27% of the total training given during the year.

Work is continuing to implement an Occupational Health and Safety Training Plan, based on knowledge of the specific risks and the prevention and protection measures to implement, using training as an effective tool for changing behaviour and introducing safe working practices.

On June 2012 the IV Sustainability Report was submitted to 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.

On last quarterly 2012 the Annual Improvement Book was issued including as usual the Policies, Mission, Vision & Values of VCSA.

Scores 2012

- Policies availability and distribution: 100%
- Client Satisfaction ratio average = 4 on 5
- Suppliers not quality cost = 17,97 Euro/ton chain
- Non-conformities of suppliers: 24 reports issued during 2012 with a total amount of finished product 40% higher than previous year
- Training = 3.78 % of active time



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, in spite of the moment of global crisis, has kept the decision not to apply any temporary reduction of employment in 2012, 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 considered strategy of the company. One of the results is that no significant incident or official claim with the neighbourhood happened in 2012.



Human Rights

Principle 1

Target

The effective leadership in HSE was determined one more time as the main objective for 2012, being the final result of this year a significant decrease of HSE incidents surely as consequence of the implementation of the different actions relative to this objective.

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.

Again in 2012 VCSA has performed periodical 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 2012 (that is published in 2013) has been again best tool to publish and communicate the most relevant issues regarding to HSE issues.

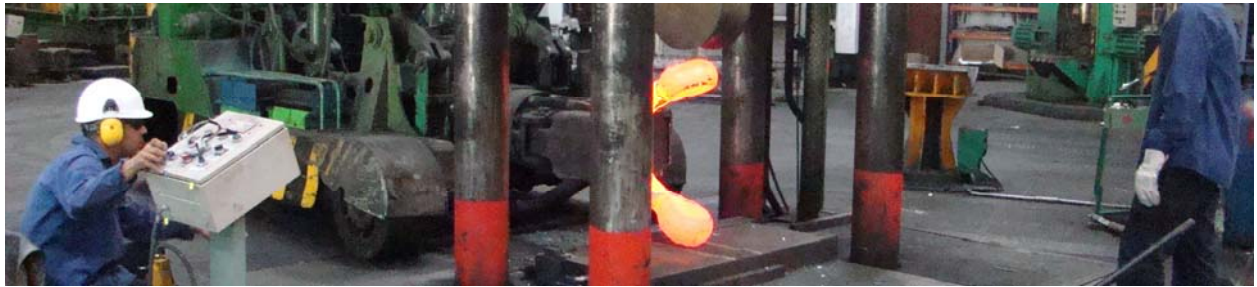
Indicate the percentage of employees informed about the ethical policy by which the entity is ruled.

Response: 100 %

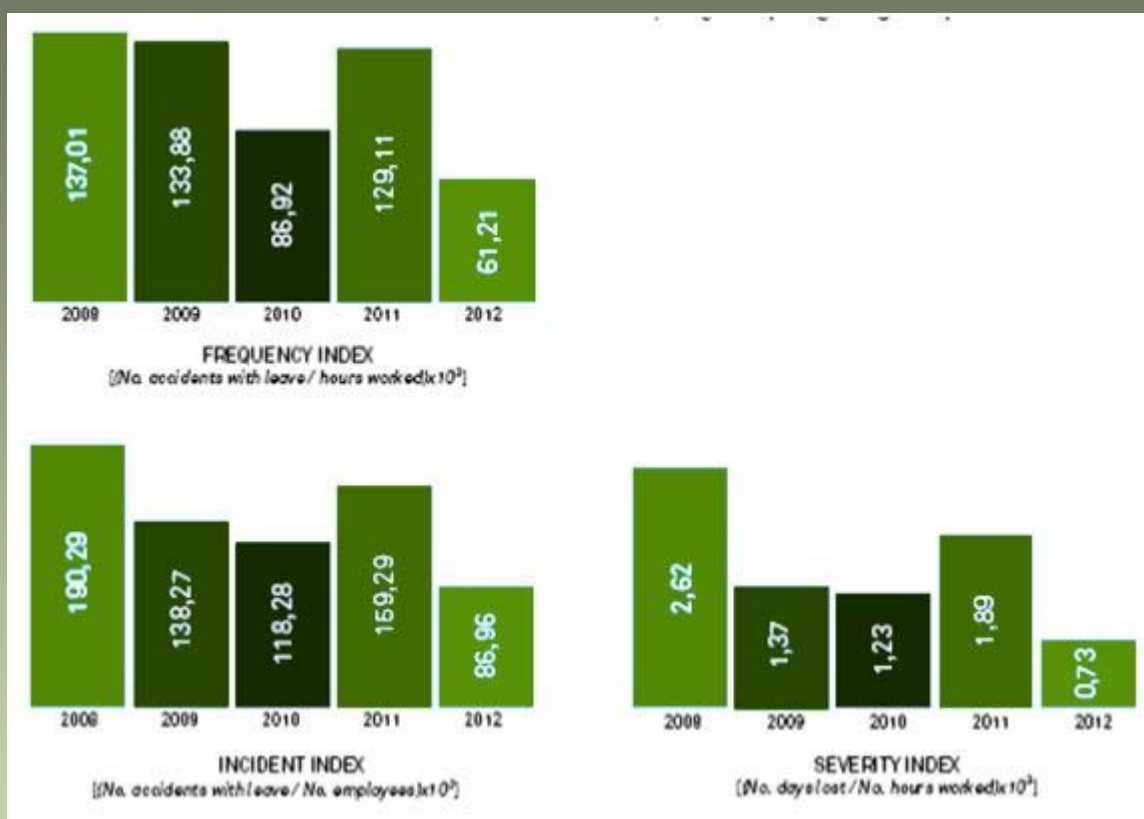
Implantation

The change in the managing direction has not affected to consideration of the importance of the effective dissemination of Policies, Mission, Vision and Values, documents which have been discussed, as previous years in SIG Meetings attended by the whole staff, and in small group meetings maintained during the year 2012.

The philosophy of the company has been displayed in several strategic points of the facilities where they are easily accessible to all the staff and visitors.



HSE statistic through the Years 2008 to 2012



Statistic according to Spanish Labour legislation.

Other HSE 2012 results

- Penalties and fines = 0
- Neighbour's complains = 0
- Environmental impacts = 0
- Hazardous waste generated = <10.000 kg



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 environment | A: Policy, Mission and Values. Protect the environment | A: Protect the environment | A: Protect the environment |
| | T: zero environmental 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





Principle 2

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



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. According to VCSA managements systems, the complete chain 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 keep on paying attention to the sponsored sportive entities reviewing the 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 value chain (suppliers and subcontractors) whose approval has been done or maintained during 2012 by VCSA have demonstrated the necessary alignment of strategies and principles 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 it is already being a tradition in our company, during 2012 we have been visited by several educational centres, (students and teachers), to whom we have explained the philosophy of VCSA and our understanding of corporate social responsibility in live.

The grade of satisfaction with these tours expressed by the visitors has been significantly high.



Principle 2

Target

The year 2012 has implied one more time a big effort for getting that our value chain increases the total quality ratios in all the aspects because we know that this shall be good for VCSA also. VCSA defines its objectives, and takes steps to achieve them, but it cannot reach them without working with its strategic suppliers.

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

VCSA defines its objectives, and takes steps to achieve them, but it cannot reach them without working with its strategic suppliers.

This works is largely based on cooperation between both parties, combining knowledge and experience.

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 2012 fourteen 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.

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 value chain.

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

In 2012, at least, two of our relevant suppliers must issue Life Cycle Assessment & Environmental Product Declaration in order to standardize approaches and development of activity and management.

The introduction to Corporate Social Responsibility in a systematic way to advance companies of our value chain is another important target.

Actions

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

Implantation

VCSA wants all the organisations with which it cooperates to find that the company is their best ally in terms of their development, and it undertakes to carry out its business through a close, visible and accessible relationship with all the value chain.

Satisfaction of supplier and subcontractors

- For how many years have you been working with VCSA? 4.37
- How would you rate the treatment provided by the company's representatives with whom you have had contact?. 4.75
- How would you rate the efficiency of the company's representatives with whom you have had contact?. 4.75.
- Has VCSA complied with the terms established in the supply contracts? . 4.50
- Does VCSA offer a flexible relationship model in which the supplier can contribute its experience? . 4.50
- Do you think that VCSA encourages a win-win policy with its suppliers? . 4.50
- Please rate your relationship with VCSA compared to that with the rest of your customers . 4.50
- Please rate the development of our relationship over the past twelve months . 4.75
- Please indicate the general level of satisfaction with your relationship as a VCSA supplier . 4.75

TOTAL RATING (mark out of 5) **4.60**



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

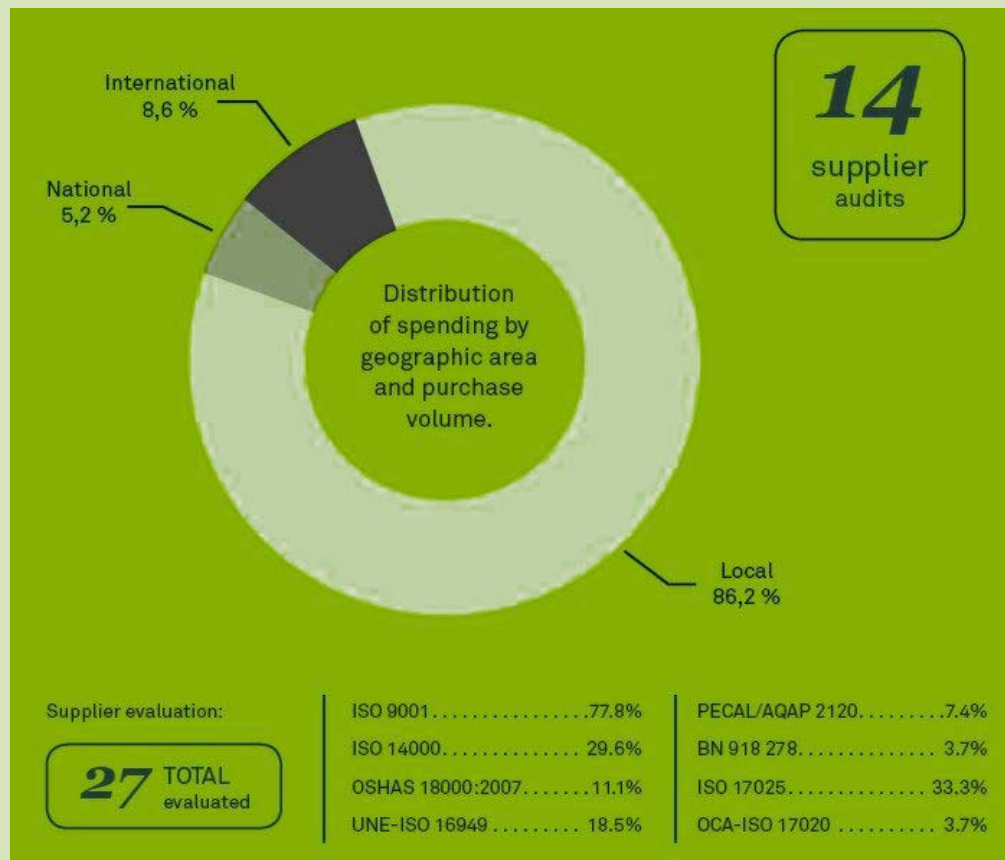
Implantation and certification (if possible) of HSE systems in subcontractors with clear identified risk and serious potential environmental impact (machining shops)

Consolidating the CSR consideration in advanced suppliers.

Fulfilment of 100 % of the Annual Plan of Audit to Suppliers,

Follow-up and Impact Measurement

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






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 Spanish 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, independently of the decision to go beyond legal requirements, 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 makes easier the activity providing not only the most convenient schedules and changes, providing material resources (meeting rooms, software and hardware), but the necessary information about the business, enabling participation at high-level meetings to the representatives of the 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.



Seeking satisfaction of our personnel

Since 2007 VCSA has been running two-yearly surveys to gauge the satisfaction among its staff.

In 2011 we saw a record in both the level of participation and the degree of satisfaction since the process began in 2007.

During 2012 specific actions have been implemented to improve the lowest rated aspects. These actions have been designed to improve internal communication, the internal training system and to improve and adapt the working environments.

The outcome of these actions will become clear with the results of the next Personnel Satisfaction Survey in 2013.

Innovating in people management

As an innovative element, to provide us with tools that will allow us to manage the talent in our organisation, over the year several people in the Social, CSR and management areas have been certified in a tool called Professional Centre of Gravity (PCG).

There has been a closer look at the concept of emotional intelligence, which is hugely important to this organisation, and tools have been identified to allow us to discover, in a structured manner, the range of talents that exist in our organisation.

This tool allows for 270 professional talents or preferences, grouped into four broad areas, to be identified. One way to represent these preferences is using what we call a PCG Map, which is a very visual way to graphically show the four axes along which the different profiles and talents in our organisation are distributed. This tool is intended to be the starting point for the project called "Talent Factory", whose objective is to move toward an organisation where the diversity of talents is valued as a key element in the success of teamwork.



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 2012 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 in VCSA *"Safety is 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. **Encounters Vicinay:** 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.



7. PCA meeting 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 the satisfaction of the employees by means of action based on the results of 2011 survey report

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 Free Affiliation and the Effective Recognition of the right to the collective negotiation" have been observed throughout 2012, and has not been any case of labour 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 fulfil its mission of representation, both "in house", and abroad, with enough time that by law are given as one another additionally requested.

The management board of VCSA holds a permanent contact in order to reach the necessary agreement with the elected representatives of the staff subjects such as:

- Economic conditions and salary issues
- Annual working calendar



Financial and social agreement

In the year 2012 it has been signed a Financial Agreement 2012-2015. This agreement, historically, applies to 100% of the staff and is an improvement on the conditions established in the sector's collective bargaining agreement.

Participation and information

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 in a continuous way about relevant issues which affect or can impact to the company.

The main points of the Economical & Social Agreement stated in 2012-2015 are:

- Maximum permanent full-time contracted personnel
- Active commitment in order to promote HSE culture
- No reduction of the staff together with retirement plan to 61 years
- Annual wage raise as per Consumer Price Index
- Extra pay when the annual target profit is reached.
- Varying payments when weekly productivity goals reached
- Coverage of temporary disability for illness or occupational accident based on personal absenteeism.

Target 2012-2015

- Transparency in the managing of the company
- Optimal HSE and Training conditions
- Employment preservation, converting temporary contract into fixed staff, when possible.
- Climate of harmony between the Employees' Representatives and the Management,
- Sestao: factory of the future



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**
- **Specific 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.
- **Encounters Vicinay - 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 leaded 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.
- Real implementation of **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. |
| | T: Free election of the workers' representatives | T: Increase the employees satisfaction | T: Increase the employees satisfaction Knowledge Lessons learnt | Once it is analysed, an action plan for improvement is issued and followed up by Human Resources process |

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

In response to the continuance of the global crisis, Vicinay Cadenas has established prioritising and looking after employees as one of its strategic objectives. The focus of the organisation is on generating trust in people and ensuring their stability within the organisation.

95% of VCSA's workforce has permanent full-time contracts.



Target

Since 2002 the organisation has been fully involved in a process of reducing the average age in the company, which is being gradually carried out using replacement contracts, as agreed with the union representatives. In 2012 the average age of the workforce was 44 years old.

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.

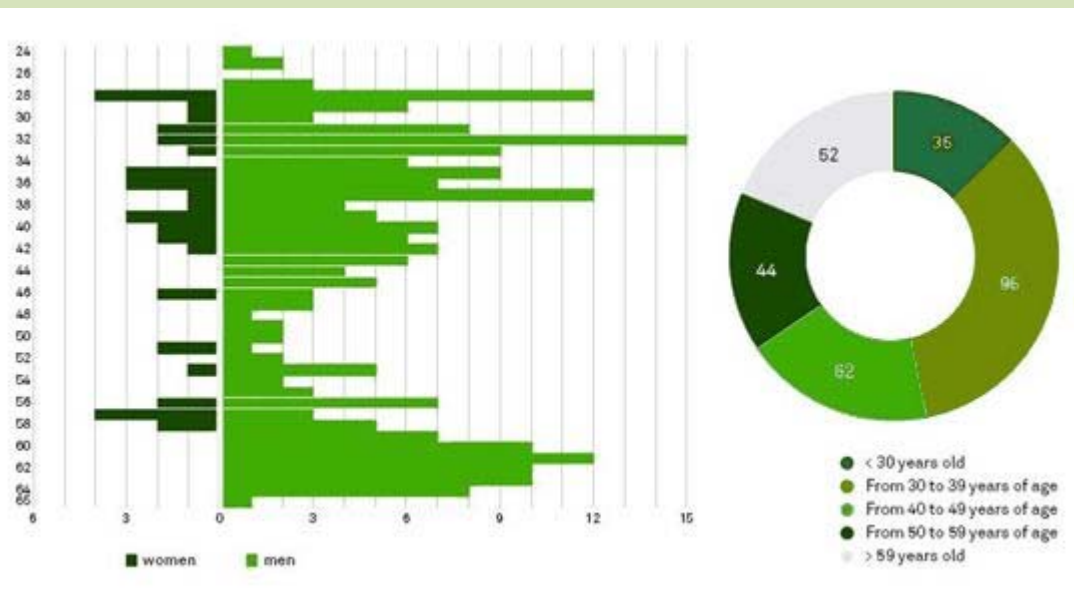
Response: Yes



Labour

Principle 4

Implantation



Target

This year, 2012, has been characterised by a change in management at Vicinay Cadenas and Vicinay Marine Innovation, with Luis Cañada handing over to Jesús Navas.

One of VCSA's hallmarks is being a company where people can work properly; receive good treatment, and where harmony and understanding between everyone in the company dominate. This is why the new General Management has established as one of its main objectives for 2012 the smooth hand-over of the Management role. This has contributed significantly to retaining a climate of harmony between the Employees' Representatives and the Management, with this leading to the signing of the Financial Agreement 2012- 2015. This agreement, historically, applies to 100% of the staff and is an improvement on the conditions established in the sector's collective bargaining agreement.

The Financial Agreement 2012-2015 is intended to act as an element to motivate people to meet the organization's strategic objectives, sharing the success of the organization through performance pay that depends on hitting targets.



Labour

Principle 4

It also deals with social aspects fundamental to the organization, such as further improving internal training, the development of career paths, allowances during periods of sick leave for common illnesses and accidents, and the policy of generational hand-over with the extension of the agreements to continue with replacement contracts according to the law in force.

Vicinay wants to continue its work to make the organisation one where there is equality of opportunities between men and women. This commitment has led to continuous steps to improve in this area. As a result, the "Equality Plan" was launched toward the end of 2012. The objective with this is to assess and plan for equal opportunities between men and women.

This project was launched at the end of 2012 and will last for around 8 months. Different members of the "Equality Committee", with the support of experts in consulting and professional coaching, will work in a team to identify and propose the areas for improvement for the near future.

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

One year more, we have to communicate in this COP that social representatives and management board have agreed another economic-labour agreement with a long duration (4 years, until 2015) in order to ensure stability and benefit for all parts in this complex moment. This agreement has been managed without relevant discrepancies, allowing new approaches to collective bargaining.

Again, the agreement is considered a reference by comparison with the sector's economic and social conditions.



Labour

Principle 4

Target:

Maintain the guidelines of agreement necessary for stability based in the agreement during the period 2012-15 because the strategic aims of the company (change in the managing direction, start-up of erection of the new factory of the future in Sestao village and the prolongation of the global crisis) 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. Within the programmes for developing management skills 3 people have participated in mentoring programmes.
- Following its policy of generating opportunities and promoting internal changes in functions and responsibilities, in 2012 employees have been trained and prepared to take on new functions.
- Among other experiences we can highlight the two months that one person spent at the MARINTEK marine technology research centre, located in Trondheim (Norway), specialising in the design, analysis, development and verification of floating devices focussed on both the Oil & Gas and maritime sectors
- 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 reasonable
- 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 with 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

One of the key areas to work on when thinking about what makes people happy in our current society is finding a good work-life balance. Everyone in our organisation is unique and we all have different needs.

As a result, the organisation's policy is to individually study each of the needs arising so that it can respond to each case with personalised solutions. The options for responding to these needs include changing working hours or reducing these, or more generally providing flexibility about the start and end time for the working day.

In order to improve the work-life balance of people in the hugely important phase of having children, since 2009 the organisation has been improving maternity leave, which has been extended to 20 weeks, while paternity leave has reached 17 days.

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/elimination of overtime.



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

As communicated in prior COPs, VCSA has not detected any type of child labour among its risk factors,

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 2012 there is no evidence of child labour.

VCSA is part of the corporative group Vicinay Marine that also possesses factories in Brazil, China and Sweden. In 2012 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 is aware about the importance of the alignment of values and principles between the corporative organization and its value chain.

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.

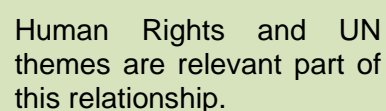


Implantation

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.

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

Vicinay Cadenas, as per corporative strategy, has maintained during 2012 close contact with the companies of group Vicinay Marine in Brazil, China and Sweden, improving the values and principles alignment and sharing with our values and principles.



Vicinay Cadenas' project pretends to involve the whole families planning some initiatives focused on children (Christmas card contest, children's party year-end, visits.) and in 2012 all these activities have been empowered.

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

One year more, and VCSA's compromise is a continuous renewal, In 2012 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 2012 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 2012 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 continued affecting to our value chain companies, Its viability has been considered relevant part of. VCSA strategy, evaluating the risks and analysing the possible impacts of the involved companies carefully.



Labour

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. It exists a CSR policy and plans to facilitate first employment to young people. Integration and non-discrimination is a must for VCSA.

Implantation

As main labour human right, and In order to ensure that the work is appropriate to physical condition of the personnel, VCSA has continued improving during 2012 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 has been focused as an ergonomic purpose together with innovation activity and competitive advantage.

Automation and manipulation allow higher equality opportunities to men/women and strong/normal people..

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

Target

- The necessary in-house training for the first job to qualify young people in their first job.

VCSA is constantly focussing on the education and training of its staff, one of its maxims being to spare no costs when it comes to training, either internal or external. We think that the success of the organisation is based on the emotional intelligence of its people so a key aspect is their training and the creation of training plans in keeping with the organization's strategy.

- Rejuvenation of the staff by a retirement planning that fully satisfies those who finish their working life.

Actions

Describe the actions carried out related to this principle during the last



Implantation

| Training | | |
|---------------------------------|--|--|
| 2012 | | |
| Courses: 114 | | |
| Amount on courses: 119.095,26 € | | |
| Cost of hours: 217.692,31 € | | |
| Total cost: 330.526,99 € | | |
| Training hours: 6.169 | | |

| Activity | Attendees | Hours |
|---------------------------------------|-----------|-------|
| Preventive Resource | 12 | 1020 |
| Phased Array | 20 | 800 |
| Verifiers | 4 | 640 |
| Technology Team | 2 | 305 |
| EFQM Evaluators | 11 | 264 |
| Executive coaching | 1 | 168 |
| Leadership and teamwork | 10 | 160 |
| Cranes | 18 | 144 |
| NDT Recertification | 12 | 120 |
| Working at height | 12 | 96 |
| OPITO | 2 | 80 |
| Professional Centre of Gravity (PCG) | 3 | 60 |
| MBTI (Myers Briggs Type Indicators) | 2 | 48 |
| European expert in CSR | 2 | 240 |
| PMP (Project Management Professional) | 2 | 130 |

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, information 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. |
| | 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 | Annual action plan for improving this perception with monthly review and quarterly discussion |
| 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:

Prevention of pollution has been considered for Vicinay Cadenas again during 2012 an strategic objective, maintaining a continuous effort to assess properly potential risks in order to ensure the effectiveness of the environmental stewardship by means of an action plan to:

1. Avoid hydrocarbon leaks by means of updating and complete maintenance plan of hydraulic circuits
2. Regenerate and/or clean of some type of used oils after the correspondent analysis.
3. Oil release through official recycling company for its recovery and reuse.
4. Third soundproof panel in cutting section 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
5. Finalization of low consumes lighting system in all workshops.
6. New testing machine according with the efficiencies rules..

Target:

- 2.50 kWh/tn natural gas
- 0.45 kWh/tn electricity consumption



Environment

Principle 7

The initiatives to minimize possible impacts and get greater environmental responsibility have been the result of sensitization in innovation activity. So:

- The **robotization** of one of the welding machines will allow staff to work in comfort and for greater automation in the manufacture of the links with a diameter of up to 240 mm, leading to a higher quality product and more respect to environment as consequence of this.
- The **design** of some of the most critical elements in the productive phases has been improved so that they can be automated in a way that improves the ergonomics for the operators. Where possible, the production process has been robotized, for example with the blasting which has been automated to improve efficiency and increase the collection and recycling of the triangular and spherical particles shot .
- The installation of a **new suction cleaning** system as a pilot project in one of the sections of the production processes is intended to test out the usefulness of a system that aims to improve tidiness and cleanliness in the workplace. If the result is satisfactory it will be rolled out to the other facilities.
- The demands of the market are moving toward larger diameters and new coatings. For the application of **TSA a new tower** has been constructed outside, also improving safety since it will avoid potential bottleneck situations due to the accumulation of chain and avoiding any possibility of emission.
- To allow for the manufacture of **larger chains**, new elements have been added to the facilities to improve on the existing ones considering since the design phase the environmental considerations





Follow-up and Impact Measurement

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

Response: 1535 hours

Implantation

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

1. Environmental subjects treated in the monthly meetings: 610 hours with 70% of the total staff attending this reunion, depending on the shifts):.
2. Specific environmental training for the new Environmental Coordinator.: 400 hours
3. Specific environmental training for the Integrated Management System Verifier Team.: 200 hours
4. Specific environmental training for the Integrated Management System Audit Team.: 10 hours
5. Meetings specifically related to environmental matters: 230 hours attending different personnel of several processes involved in the content and agenda.
6. Environmental training included in the Reception Plan for all the New VCSA Employees: 60 hours
7. Environmental sensitizing of some suppliers with relevant potential impact: 25 hours

Target

70% of the total investment in HSE protection despite of the persistent moment of crisis that is affecting to our sector

- Maintain training and sensitization regarding environmental issues.



Environment

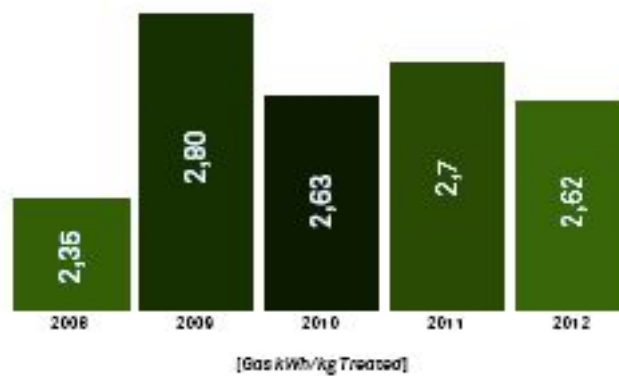
Principle 7

Material used

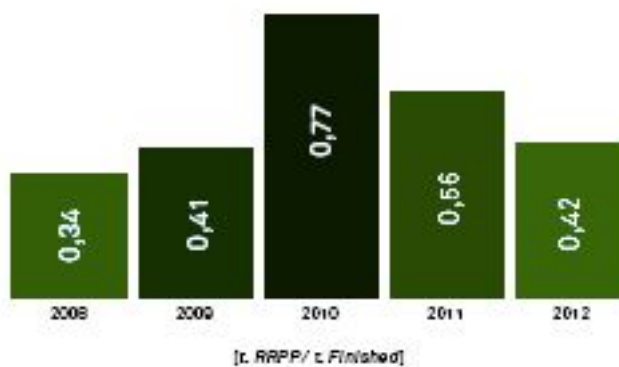
 31,439,390 kg.

Natural gas consumption

Gas consumption depends on the use of the Heat Treatment Furnaces used in the production process, and therefore the data is provided on the basis of the tons of chain treated in each financial year.



Hazardous waste generated





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 located in a residential-industrial mixed use area, are:
 - Disturbance to neighbours because of noise emission:
 - Chain movement, loading and unloading.
 - Machinery operation.
3. In-house ground pollution due to:
 - Leaks of hydraulic oil in the machinery circuits.
 - 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: Continual communication to explain all the industrial activities that can generate disturbance to neighbourhood and local community in order to get zero complaints.



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. The relevance of the environmental stewardship for VCSA during 2012 is documented on writing and communicated to all groups of interest in the 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 2012 VCSA's environmental stewardship has been based on management by processes. The daily environmental management has been developed in each process, and the Integrated 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



Environment

Principle 8

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



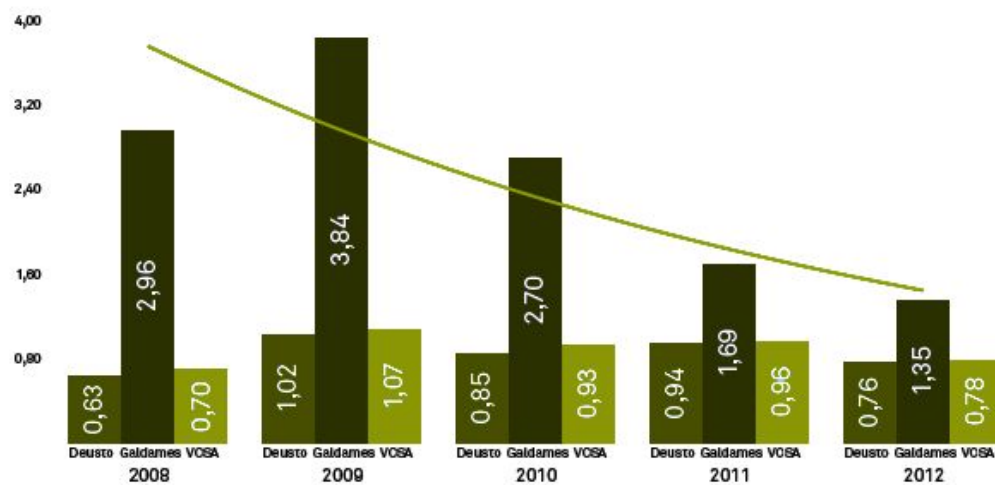
Follow-up and Impact Measurement

CO₂ emission

It is important to know how much CO₂ is emitted for each ton of product sold. This figure helps us to set new targets in the fight to minimise our carbon footprint each year.

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------|-------------|-------------|-------------|-------------|-------------|
| Deusto | 0.63 | 1.02 | 0.85 | 0.94 | 0.76 |
| Galdames | 2.96 | 3.84 | 2.70 | 1.69 | 1.35 |
| Total | 0.70 | 1.07 | 0.93 | 0.96 | 0.78 |

[Tons CO₂ / Tons Finished]






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.



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



The year 2012 has been again a period of continuous 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.



Environment

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

During 2012 VCSA has continued integrating the environmental consideration in the design, manufacturing and delivery of product and services.

Minimizing of possible impact during the whole lifecycle (cradle to cradle) has been another constant, and so we have extended Life Cycle Assessment and Environmental Product Declaration to VCSA's whole catalogue.

We have improved the soundproofing of our cutting facility by installing a third absorbent panel in the area with satisfactory result

Our Engineering and Maintenance process has also continued installing electrical and electronic new technology devices to improve our energy efficiency and responsible consumption.

Evidence of the above wording is the reduction of CO₂ emission, objective which has achieved in 2012

The total amount of the investment for these two concepts is 395,207 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

Consistently with its philosophy, Vicinay Cadenas during 2012 has continued assessing the risk related to no ethical behaviour in the own organization and its activity sector, more at this time of global crisis, in order to maintain its policy of zero tolerance of corruption

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

Ethical behaviour in all the aspects relative to the activity of the organization has been transmitted y required to the representatives of some groups of interest. In no way reprehensible misbehaviours such as corruption are considered admissible.

Commitment to be in compliance with all relevant anti-corruption laws is considered a critical point in the company, and the high managing board implement procedures to ensure the mentioned compliance with the law and possible changes by means of a team of professional specializing in this area



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

Personnel

A four year social-economic agreement (2012 – 2015) has been signed with the social representatives, intended to act as an element to motivate our people to meet the organisation's strategic objectives.

In the year 2012 contractual relation has been exempted from irregularity. No corrupt practises have been detected and it has been continuously pretended a mutual profitable understanding with all the parts involved.

Client

VCSA has continued offering its products and services to its customers on the basis of price lists, according to a reasonable profit, and establishing and communicating clearly before signing the contract.

Shareholders and investors

All the relevant information relative to business and significant results of 2012 have been communicated to shareholders and investors in clear, comprehensible and direct way. There has no been discrepancy.



Suppliers and subcontractors

Vicinay Cadenas has tried to share the workload as fairly as possible in order to help the viability of the different enterprises which cooperate with our project.

Suppliers and subcontractors have collaborated with VCSA under a satisfactory understanding climate, without irregularities regarding to any form of corruption.

Our Purchasing process has analysed the different bids taking decision on the basis of strict respect for free competition.

Society

VCSA has defined clearly the criteria for sponsorship, and the funds destined to support social activities (described in previous chapter) have been used strictly under an application of CSR criteria.

VCSA has not claimed any return on this activity than the favouring of those groups we can help as per the determined action plan for year 2012

Authorities and Public Administration

During 2012 Vicinay Cadenas has complied with all legal requirements as determined by the local administration, regional and state, as well as such other applicable to our business by law or contract.

The relationship with the members of the competent authority has been, how could it be otherwise, necessary for the proper fulfilment of the above requirements, not having occurred any kind of corruption related to this significant stakeholder

Competitors

One year more, Cadenas Vicinay has developed its activities to best practices, in free and fair competition with organizations providing similar products and services, according to our commitment to the anti-corruption principle



Anti-corruption

Principle 10

Vicinay Cadenas has not integrated the anti-corruption principle in its management systems in effective way defining specific procedures, responsible staff for implementation, etc. because corruption cases have not been detected, but the company has taken the clear decision to progress in this area.

So, the anti-corruption commitment is already supported by the leaders of the organization

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

Vicinay Cadenas has not established an official communication channel about its conduct code towards all its groups of interest, because there have been no cases of corruption, but once a risk assessment indicates a potential occurrence, the staff of purchasing process and the auditor team of integrated management systems encourage to suppliers and subcontractors to prevent any misconduct.

VCSA ethical conduct and integrity of the persons is a fundamental principle, and this is the reason why our company has assessed in 2012 the grade of satisfaction of suppliers, subcontractors and some partners to implement .the necessary action for improving the relationship and business condition, if possible.



Anti-corruption

Principle 10

Target

The communication and training for the leaders initially and subsequently for all the employees to carry out ethical management practices that allow a full and effective integration

Attention and respect to the local community in order to prevent discomfort and any pollution in a mixed residential-industrial area where our factory is located.

Launching of an action plan to achieve a basic commitment of suppliers, subcontractors and some partners in relation to this principle

Distribution of the different orders in equity, taking the decision based on to best offer.

Support the sustainability of other enterprises which collaborate with Vicinay Cadenas.

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

Definition of best practices aligned with anti-corruption principle.

Integration in the 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 improvement based on ethical management of prices, communication, claims and suggestions |
| | T: Managerial leadership and satisfaction of the customers | T: Meet the requirements | T: Meet the requirements | |
| Employees | A: Need of training and commitment with the project | A: Integrity in the contractual relationship | A: Upright contractual relationship | Personnel's satisfaction measurement and management of training needs, claims and suggestions |
| | T: Persons who live of, in and with VCSA | T: Satisfied and committed persons | T: Satisfied and committed persons | |
| Shareholders | A: Deficient investment return | A: Persons committed with the project | A: Persons committed 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 and/or 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: Delocalization | A: Social responsibility | A: Social responsibility | Society's satisfaction measurement and management of relationship |
| | T: Keep the plants in Basque Country | T: Support anti-corruption principle practice | T: Support anti-corruption principle practice | |



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

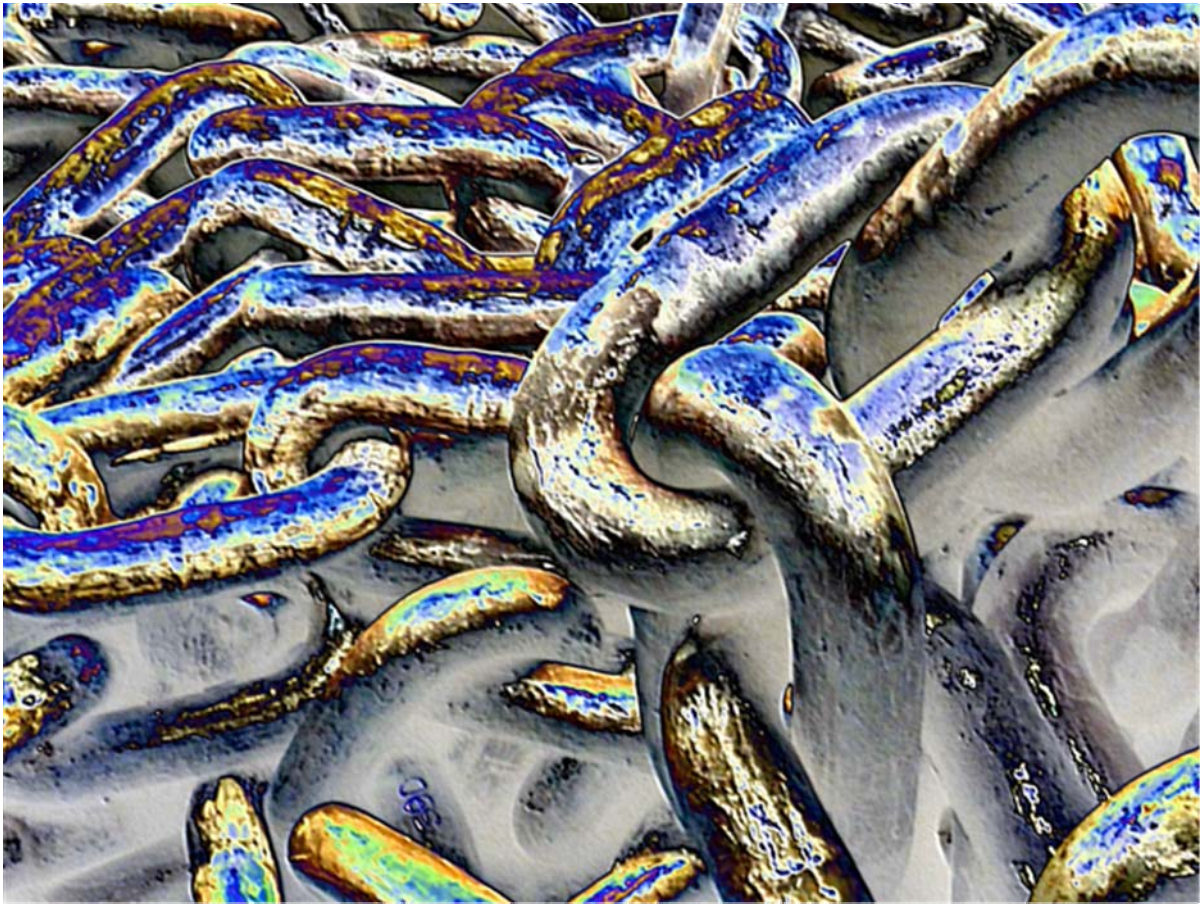
| Principle 10 | Diagnosis | Policy | Actions | Follow-up and Impact Measurement |
|--------------------------|-----------------------------------|--|--|------------------------------------|
| Knowledge Web | A: Deficient knowledge management | A: Development of new ideas | A: Creativity and innovative 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

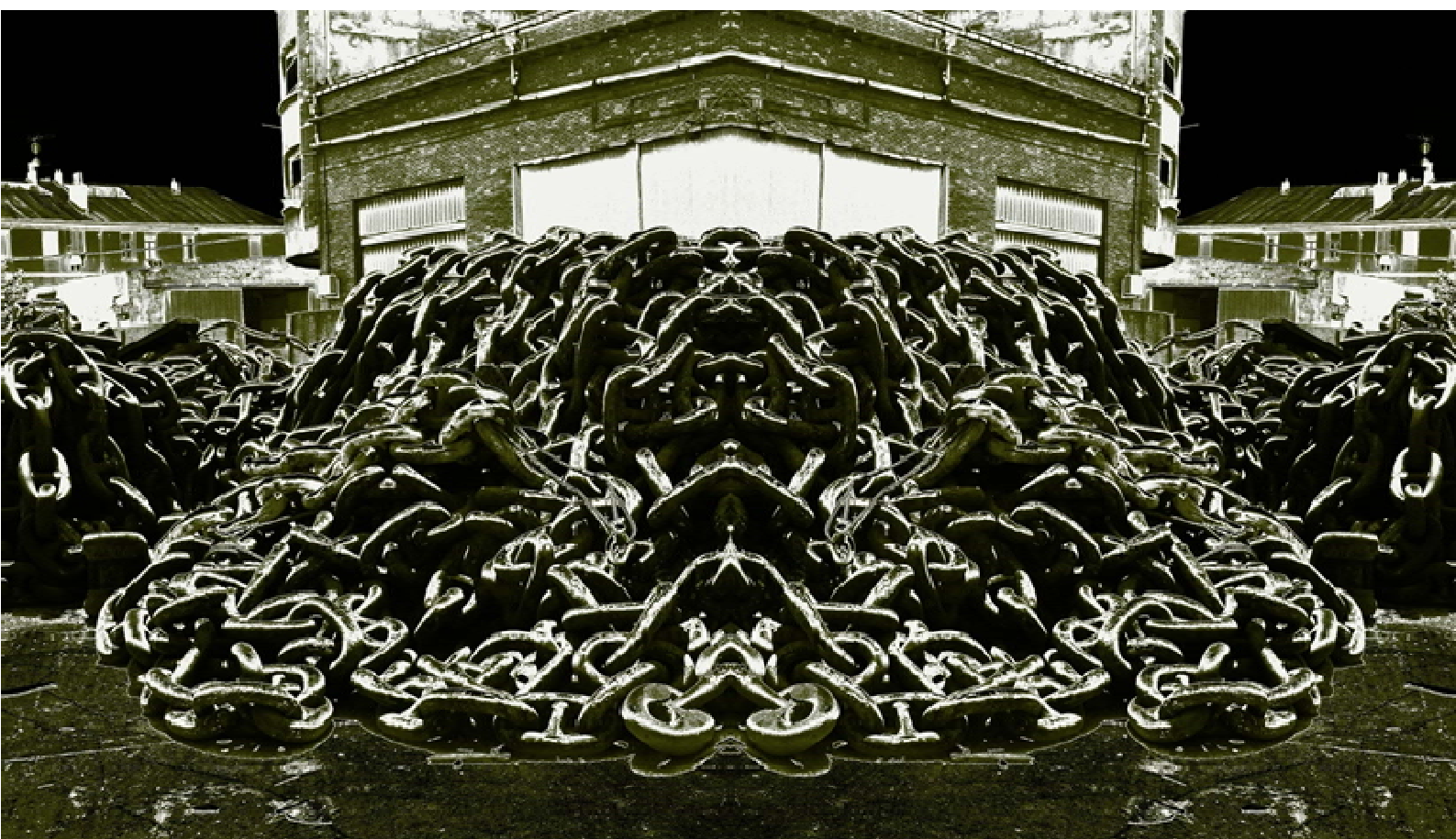
They come gathered by means of qualitative indicators that define the frame of action in which there are structured the actions and the mechanisms of control and follow-up of the entity.

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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