CORPORATE SOCIAL RESPONSIBILITY REPORT

_COMMUNICATION ON PROGRESS

2009 - 2010 FISCAL YEAR

KRETZ

_SCOPE

This report corresponds to the fiscal year between August 1, 2009 and July 31, 2010.

Part I of the report contains the declaration made by the Chairman of the Board of Directors of KRETZ s.a., embracing and supporting the company's commitment to the Global Compact Principles, and a description of the company profile.

Pat II of the report contains the Corporate Social Responsibility (CSR) actions carried out in the company in alignment with our company philosophy and design philosophy. It details the systems implemented from the CSR policy and the activities carried out through the company's CSR programs, all of which reflect their compliance with the Global Compact Principles.

Part III of the report contains the outcomes achieved in the 2008-2009 fiscal year, presented through Global Reporting Initiative (GRI) indicators and their relation with the Global Compact Principles.

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CORPORATE SOCIAL RESPONSIBILITY REPORT

PART I

Engineer Daniel Kretz
Chairman of KRETZ s.a.

_ CHAIRMAN'S LETTER

At this time we submit the KRETZ s.a. third annual Communication on Progress to the United Nations Global Compact. This report encompasses the economic period ending July 31, 2010 and advances our social balance criteria which allow us to systematically evaluate our activity in terms of transparency, social, environmental and working parameters.

We continue to connect our Corporate Social Responsibility (CSR) policy with the Global Compact principles. This effort has contributed to an alignment of company policies with improved company objectives in internal communications, as well as with business spheres, institutional and community relationships.

In our third report we point out how our CSR policy has fostered increasing commitments to our community and to the environment, strengthening our prior and territorial strategy of expanding educational activities.

In accordance with this policy and within the framework agreement signed in 2008 by the National University of Rosario, KRETZ, as a member of the University Board of Advisors, promoted the creation of GTEC. GTEC is a master's degree technology career program that began in June, 2010 in our Pueblo Esther location.

The program grants a specialized Management in Innovation and Technological Connections degree that has been approved by the Science Department, National Productive Technology Department, and Innovation Department of the National University of Rosario. It ranks comparably with programs at The National University of Rosario, The National University of Entre Rios, The National University of Northwest Province of Buenos Aires and The National Technological University regional campuses oat Rosario, Venado Tuerto and San Nicolas.

To reinforce our commitment to fostering education, KRETZ has made a loan of property located in the city of Rosario to the National University of Rosario. We take great pleasure and pride in the loan of this building which was originally the home of our founder, Carlos Kretz, and where in 1963 the KRETZ company was begun.

In order to further our company's commitment to the Kaisen philosophy, this past year we instituted the KRETZ QUALITY AWARD. This award is given to the best of three competing teams exemplifying the Kaisen philosophy of a team working together to achieve continuous improvement. The award ceremony took place in November, which is Quality Month in Japan.

To further align the KRETZ company's actions with the ten principles of the Global Compact, we state within the Strategy Plan that it is our goal to promote the Global Compact Practices. Our business philosophy, based on the values of integrity and compromise, manifests itself in responsibility. It is demonstrated with quality products, employee development, environmental preservation, full compliance, and the development of relationships with institutions from our community.

We have initiated a redefinition of our current business plan that will consolidate our vision as a technological company. During the past year we have steadily progressed with projects and personnel training to enable KRETZ to expand into the cash register market. KRETZ will become the first Argentine company to develop, produce and then market cash registers and fiscal printers. Our new products and business solutions will complement each other and enable our customers to better refine their business operations.

The Arts and Craft House in Pueblo Esther created by KRETZ and staffed by KRETZ volunteers, has exceeded the expectations of the commune and the company. It provides training courses and many art activities.

I would like to thank, on behalf of all at KRETZ, the people and organizations that have helped us establish and sustain relationships of mutual benefit and growth of our moral capital.

We renew our commitment to disseminate and promote the principles of the Global Compact in order to further necessary progress toward a society in harmony with nature and the planet.

Daniel Kretz
President
KRETZ s.a.

KRETZ s.a.
Ruta Nac .N°9, Km 276
Pueblo Esther, Santa Fe, Argentina
+54 341 4927400
www.kretz.com.ar
ventas@kretz.com.ar

KRETZ s.a is a corporation governed by the laws and regulations of the Argentine Republic.

Our forty-seven year experience in the design of technological solutions for industry and commerce has helped KRETZ become the Argentine leader in development and marketing of electronic scales. Our growing presence in Latin America has driven us to search for new markets and to research new products to keep our progress constant.

Throughout the years KRETZ has maintained the same values that have driven us from the start: integrity and leadership. That is the origin of our philosophy, based on enthusiasm for teamwork, devotion to excellence, commitment to the client, respect for the environment and passion for the development of new solutions.

Carlos Kretz, Company Founder, in 1963.

Main building, industrial plant.

Our History

The company has been developing innovative technological applications since 1963. The initial project by our founder, Engineer Carlos Kretz, has turned the company into one Argentina's leading businesses in the technology industry, as well as a remarkable exporter.

1981 was a landmark year in the company's history with the development of its first electronic weighing product. This would, in time, help the company strengthen its industrial profile.

In 1985, the first set of commercial scales was launched and, by 1996, the company had achieved a remarkable position in the market of electronic scales in Argentina. Our growth capacity and our skills to adapt ourselves to market demands have permitted us to maintain leadership in the industry. Today there are promising prospects for future expansion toward other segments of the technology sector.

In 2004 we opened our 13,650 sq. ft. state-of-the-art industrial plant on a 13 acre parcel strategically located on the main access highway to Rosario. The plant has been designed to integrate harmoniously with the surrounding natural environment, creating an ideal working environment in accordance with KRETZ's commitment to social responsibility.

In November 2007 KRETZ joined the Global Compact with the purpose of generate and disseminate an ethic compromise ensuring its legal compliance to all parties interested worldwide.

In November 2008 the first Communication on Progress was presented. Its context grouped the initiatives and actions carried out by the company from previous years until July of that year whit the purpose of institutionalize them and then reporting the progress of the periods 2008-209 and 2009-2010.

This year, KRETZ presented its third annual Communication on Progress report highlighting significant impacts generated by KRETZ's sphere of influence.

ISO 9001, ISO 14001, OHSAS 18001 standards certification.

Our People

KRETZ believes that excellence can only be achieved through ongoing training and teamwork. To achieve this it is necessary to generate a harmonious working environment, a place where communication channels are always open and where creativity, cooperation and responsibility govern actions.

One of our core values is our commitment to the company and its people. All KRETZ employees know the role they play, and contribute their individual efforts to achieve the goals of the company. Our relationship with our customers is governed by the same attitude. We are committed to helping them in their businesses through a courteous and friendly relationship, and the availability of 24-hour assistance.

Our Commitment

Our commitment to product quality is reflected in our ISO 9001 certification; however, KRETZ's interest extends beyond this field. We are also concerned about the environment. This concern is reflected in the ISO 14001 certification for environmental management, as well as in the creation of a decent and harmonious work environment, through the OHSAS 18001 Occupational Safety and Health specification.

Our Design

KRETZ's design philosophy is based on the human understanding of technology and the enhancement of the quality of life. Thus, we strive for inclusive and sustainable solutions through a search for synthesis, simplicity, harmony and structural rationality.

Our mission is to help our clients run and manage their businesses. To achieve this mission, our professionals in the R&D Department work to meet the requirements of our clients. Each of our products combines functionality, aesthetics, and innovation in order to exceed the expectations of our clients.

Our Products

KRETZ´s constant search for innovation and functionality has allowed us to develop a wide variety of products and solutions for both retail and industry, including our supermarket, commercial, and industrial lines. All our design, manufacture, control and after-sale processes are ISO 9001 certified.

With more than 250,000 scales sold in South America and Central America, we are ready to launch our operations into other markets. Our objective is to have a strong technological platform and to have the company achieve the highest international standards; therefore, we have adopted the SAP/R3 management system. This Enterprise Resource Planning (ERP) software provides one of the most comprehensive, flexible and scalable solutions worldwide.

We have the infrastructure, the people, creativity and determination to continue leading the electronic weighing market and to extend to new sectors in the technology industry.

Our Markets

The Company trades in the following countries:

- Bolivia
- Brazil
- Chile
- Colombia
- Costa Rica
- Guatemala
- Mexico
- Panama
- Paraguay
- Peru
- Uruguay
- Venezuela

_ KRETZ PRODUCT CATALOGUE

Supermarket Series

NOVEL DATA and NOVEL DATA COM

The Novel Data Com price computing scale can store up to 1000 product look-up (PLU) memories. It meets the most usual needs, such as direct retail and pre-packaging operations.

It can be connected to KRETZ printers to generate tickets or barcode labels. Operation from a PC requires ABM-Quick Management software developed by KRETZ.

REPORT

The Report model is a price computing scale that features a robust thermal printer. Ideal for shops, with weighing and labeling requirements, its two versions, bench display and pole display, help to meet space limitation needs.

REPORT NET

The Report Net model is a label printer price computing scale specially designed for self-service shops, retail shops, supermarkets, hypermarkets and general retailing.

The Report Net technology features network management of up to 99 scales. Its interconnection requires no additional interfaces or network cards, since the necessary hardware is built-in. The network is managed through iTegra management software, purpose-developed by KRETZ. Depending on the model, the communication is established through RS 232/485 protocol, TCP/IP, or wirelessly, IEEE 802.11b. This gives great flexibility and adaptation to the technology required by the customer.

REPORT NX

The Report NX line is a new generation of KRETZ scales, meant to meet the needs of the most demanding markets for weighing, labeling and data management capabilities.

iTegra SOFTWARE

- Software developed by KRETZ, 100% Java language
- Multi-platform (can be used with Windows and Linux, among others)
- KRETZ Multi-equipment. It allows data management of all the models in the KRETZ networkable equipment. (Example: Report, Report NX, "Advanced" weight digital display and Plura)
- Allows controlled access to the system (through Username and Password)
- Can be adapted to each shop's specific management software

PLURA
The PLURA price verifier is designed to meet the demands of self-service and other retail shops for real-time product data verification.

PLURA MM
This version of PLURA counts with a True Color video screen that allows video reproduction with stereo sound. It also displays prices, promotions and sales information.

Commercial Series | Price Computing Scales

NOVEL
This price computing scale with elevated pole readout is ideal for bakeries, butcher shops, greengrocers, self-service shops, etc.

DELTA
This price computing scale has a bench display specially designed for various applications in bakeries, butcher shops, greengrocers and self-service shops. It is ideal for counter-top use, easy to operate, highly accurate and it enhances business performance.

CENIT
This hanging price computing scale is ideal for shops with limited counter space and/or greengrocers, butcher or fishmonger shops.

Commercial Series | Weight Scales

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

ELITE
This model caters to the same client segment as the SINGLE model. Nevertheless, its versions and characteristic features were developed to meet each client's specific needs. The ELITE model can be connected to a PC or a cash register.

STYLO
This model has been designed for clients who wish to track incoming and outgoing goods by weight. It is ideal for ice-cream parlors, the food industry, hardware stores, postal offices, etc.

Fully manufactured in stainless steel, it features two versions: one with tower front and rear display and the other with a platform front and rear display.

It has features such as communication to computer, cash register, POS and printer, which make this scale the ideal product for points of sale in any business with checkout weighing requirements.

DIXIE
This model features a suspended scale well suited for shops with limited counter space and for street vending. It is widely used in retail shops. It is a heavy-duty scale with watertight electronic pieces (not easily damaged by an aggressive environment - e.g. fluids and dust). It also features shockproof and overloading protection.

COMET
The COMET model features technology that maximizes work performance, providing weight control and piece count functionalities. This versatile scale can be used in hardware stores and grocery shops and where incoming goods are to be controlled. Ideal for counter use.

PIVOT
The PIVOT model is used in the same type of industry as the COMET model, as it also has incoming check-weighing and piece count functionalities; however, it features greater weighing capacity as well as a tower display for the customer and a platform display for the operator. The tare function permits subtracting the container weight in the sample.

GALA
GALA is designed as a medical scale to check an individual's weight.
This scale is ideal for pharmacies, gymnasiums and hospitals, where precision and durability are essential. It features an easy-to-read adjustable-tilt display.

VET
Designed for veterinary offices, VET is perfect for weighing animals. This scale features a large platform and a digital display capable of being counter or wall mounted or placed according to customer needs.

industrial Series | Weight Scales

DIXIE R
This scale has been designed to provide solutions for meat-processing plants. It is highly functional in weighing hanging meat.
- Two displays, one for the operator and one for the customer
- Heavy-duty hook
- Tare function
- Zero and Tare indicators

RIELERA (Rail-Mounted Scale)
This model is the ideal solution for industries with weight checking needs during operation. Perfect for meat-processing industries, as weight decrease is determined in the quartering and freezing process. Ideal to weigh sides of beef. Designed to withstand aggressive environments.

5640 WEIGHT INDICATOR

- Ideal to implement electronic balances or conversion kits
- Adjustable-tilt ABS housing
- Its base is perfect for wall, table or tower mount
- Zero, tare and print button and indicators
- Programmable capacity and minimum readability
- Serial port communication (RS232)

5660 WEIGHT INDICATOR

- Watertight stainless steel housing
- Zero, tare and print buttons and indicators
- Programmable capacity and readability
- Shows number of weighings and accumulated total weight
- Serial port communication (RS232)

"ADVANCED" PROGRAMMABLE WEIGHT INDICATOR

- 10-character alphanumeric display
- 6-digit weight display
- 5000 product look-up (PLU) memories
- 99 operators
- Serial port communication (RS232/ RS485) compatible with KRETZ scales
- Output suitable for Mara and Koala printers

MINI MASTER | MASTER

- Weight digital indicator with adjustable display angle mounted on an 80 cm. tower
- Optionally, indicator can be ordered with wall or desk support
- Zero, tare and print buttons
- Zero, tare and movement indicators
- Serial port communications (RS232), for KRETZ computer or printer connection
- 520 x 440 mm (20.47 x 17.32 in.) stainless steel platform
- Optional: Bag holder

Printer Series

MARA
Alphanumeric thermal printer with barcode capabilities for scale connection

MARA PC
Alphanumeric thermal printer with barcode capabilities for computer connection

PANDA
Matrix printer for self-adhesive labels which connects to Novel and Novel Data scales

KOALA
Alphanumeric matrix printer for continuous paper to connect to Novel, Novel Data and Cenit scales

KOALA PC
Alphanumeric thermal printer for continuous paper to connect to Novel, Novel Data and Cenit scales

Analytical and Laboratory Series

Due to its experienced position in the scale market, KRETZ s.a. has obtained the right to officially represent the analytical and laboratory scales of SHIMADZU CORPORATION of Japan. SHIMADZU products are aimed at specific markets such as: pharmaceutical laboratories, doctors, food quality control agencies and agribusinesses.

GLOBAL

- Adherence to the United Nations Global Compact.
- ISO 9001, ISO 1 4001, OHSAS 1 8001 standard certifications.
- SAP/R 3 Management system.
- International accounting audit (HORWATH).

LATIN AMERICA

- 55% of Argentina's weighing exports.
- US $ 33,000 per exported ton.
- 240% export growth in 4 years.

ARGENTINA

- 800 active clients.
- 45% market share.
- Product certification ratification by the National Bureau of Domestic Trade and the National Institute for Industrial Technology (INTI).
- National network of technical service providers.

SANTA FE

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

INDUSTRIAL PLANT

- Situated on the Buenos Aires-Rosario motorway.
- 13 acre parcel with 92% forested area.
- 13,650 sq. ft. state-of-the-art energy efficient facility.
- Waste-recycling program.

Awards

KRETZ s.a. has received the following awards, which have encouraged us to seek future challenges:

• Honorable Mention to Competitiveness 2004, granted by "Fundación Mediterránea"
• "Smoke-Free Company" recognition, granted by Municipality of Rosario
• "Santa Fe Exports 2007" award, granted by the Province of Santa Fe Administration
• "Technological Company of the Year Indice 2007 Award"
• "Small and Medium-Sized Business of the Year Indice 2008 Award" (organized by PuntoBiz, a specialist magazine, and selected by Rosario Region businesses)
• Company selected to participate in the study of Corporate Social Responsibility and the promotion of Human Development, carried out by the United Nations Development Programme, 2008 and 2009

Industrial plant strategic location.

PART II

_ COMMITMENT
How do we understand CSR at Kretz?

CSR is a core value of the company philosophy:

The company is forty-seven years old and has always focused on the search for technological solutions. In the past few years, KRETZ's key mission has been to help customers successfully run and manage their businesses. KRETZ works from a philosophy based on the consideration of customers and their clients as the main factor in decision-making. This management idea should ideally reach all company departments.

Our vision:

"Our vision is to be recognized internationally for our design of innovative technological solutions, supported by our people's excellence."

Our mission:

"Our mission is to help our customers run and manage their businesses."

Our values:

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

The company's foundation is based on two principles: integrity and leadership. These core values rule company life.

Integrity:

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

Leadership:

- Involvement with the company and its people
- Committing to the company's goals and objectives
- Contributing our individual effort to achieve collective goals

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

This model applies to all stakeholders: our workforce members and their families, our clients, suppliers, shareholders, and users, the community and its institutions and administrations.

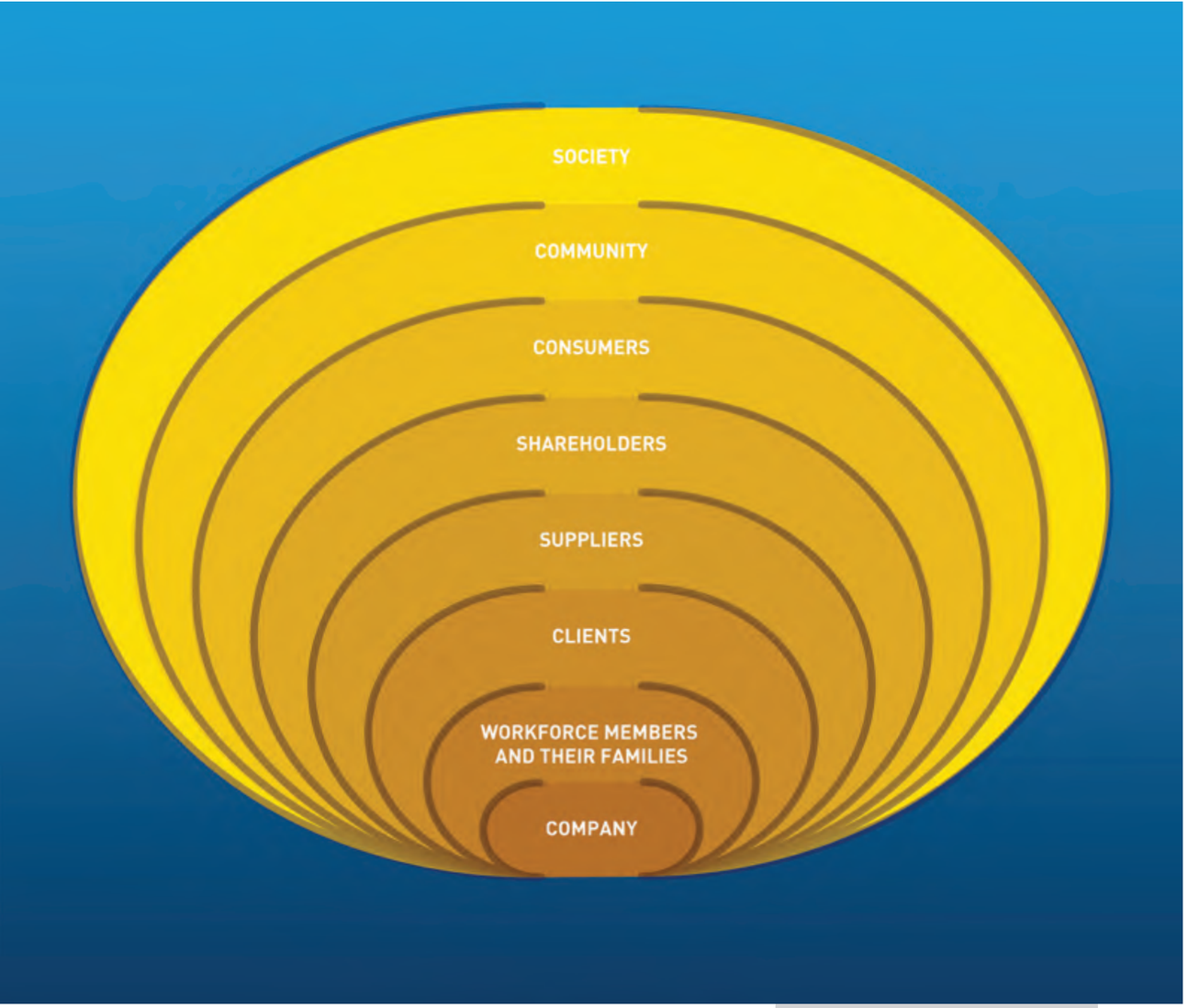
These stakeholders constitute our sphere of influence. We influence the players directly linked to the company operations, the workplace, the supply chain and the market. Our influence then extends to our interaction with the community, its institutions and public policies.

Commitment through our products

KRETZ's CSR culture is evident from the first stages of our product design to the experience of the user of the product. Our Design Philosophy establishes a concept that guides the research and development of all our new products and solutions.

Continuity of design inspires our new models. With instantly recognizable characteristic features in every product line, we seek to define a corporate image that communicates our company spirit.

Our Design Philosophy is focused on the individual as end user. The functionality and shape of our designs are the result of creation and experimentation leading to the best solutions for the individual and his/her needs.



KRETZ's sphere of influence.

These concepts are meaningful when the scope of commitment within our sphere of influence is defined. Thus, KRETZ developed an after-sales service that includes over 700 technical service representatives throughout the country, as well as in the countries where we export our products and solutions. Additionally, we have implemented a 24/7 technical assistance service to give timely installation and operation support.

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

_ SYSTEMS
The Kretz CSR Policy

The KRETZ CSR policy is based on three main concepts:

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

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

Therefore, our CSR policy's overall goals are:

- Strengthening dependable relations within the company and between the company and stakeholders
- Encouraging actions which include a wide scope of social, institutional and environmental goals (supplementary to the company financial goals) as key components of a comprehensive company
- Promoting education and innovation as key pillars to become an "Increased Knowledge" company
- Contributing to society's cultural change, through the promotion of technological and organizational excellence

The programs implemented

Our CSR policy is mainstreamed through eight programs, which include all the company areas. Each program consists of specific actions.

1. KRETZ Culture: this program seeks to consolidate values and improve the environment of reliability within the company. It aligns with principles 1, 2 and 10 of the Global Compact.

2. Decent Employment: this program seeks to promote working conditions within the company that create a decent and stimulating work environment, to promote access to information and freedom of association, to ensure professional development and employability, and to guarantee worker health and safety standards. It aligns with principles 3, 4, 5 and 6 of the Global Compact.

		GLOBAL COMPACT PRINCIPLES									
	KRETZ PROGRAMS	1	2	3	4	5	6	7	8	9	10
1	KRETZ CULTURE										
2	DECENT EMPLOYMENT										
3	INTEGRATED MANAGEMENT SYSTEM										
4	INCREASED KNOWLEDGE										
5	SUSTAINABLE COMPANY										
6	VALUE CHAIN										
7	SERVICE EXCELLENCE										
8	COMPANY, STATE AND COMMUNITY										

3. Integrated Management System: this program seeks to create the necessary conditions for the ongoing enhancement of the productive, organizational, managerial and relational processes within the company. It aligns with principles 4 to 10 of the Global Compact.

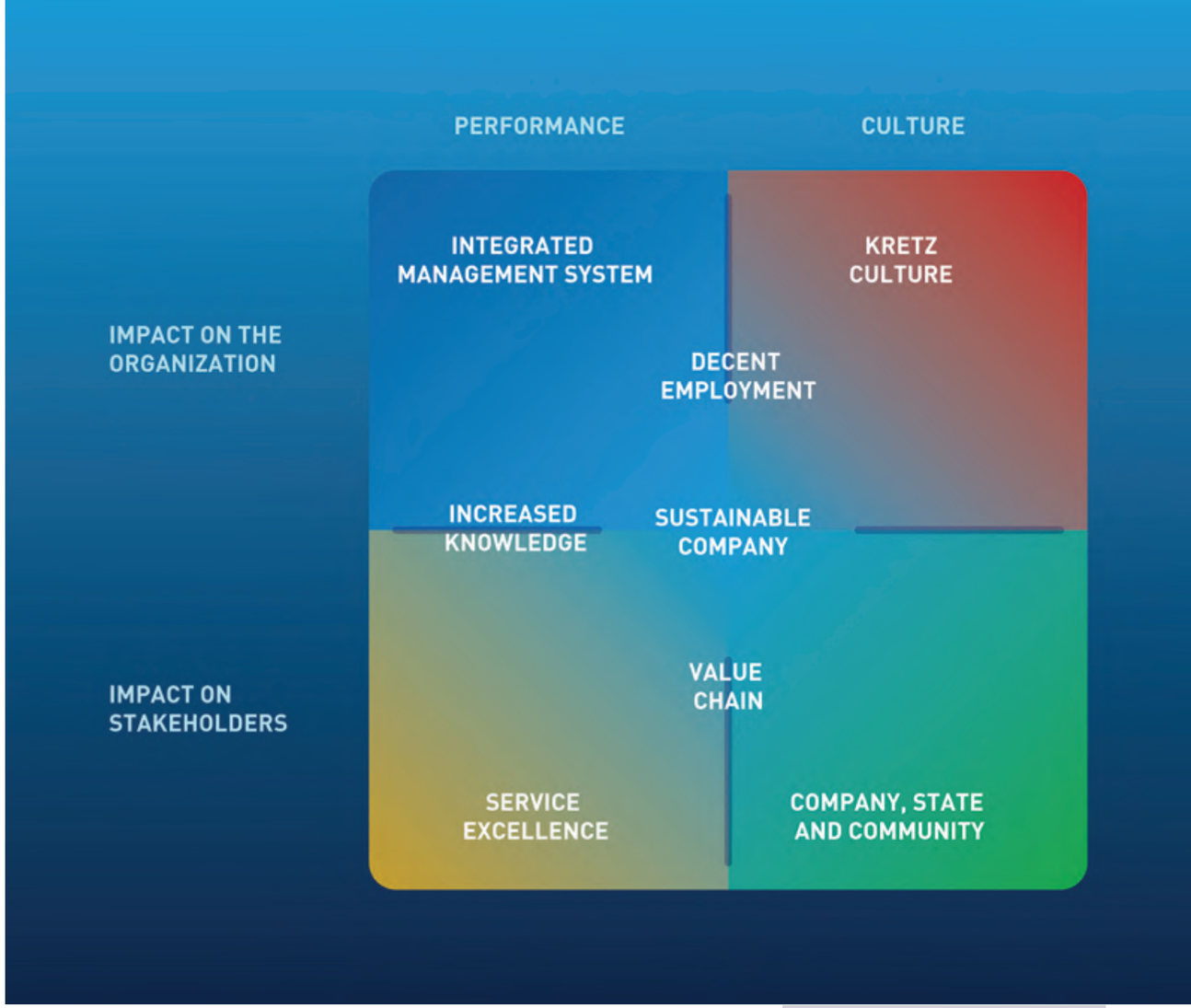
4. Increased Knowledge: this program seeks to consolidate the company according to knowledge and innovation as a competitive variable. It aligns with principles 1 and 9 of the Global Compact.

5. Sustainable Company: this program seeks to promote a culture of environmental responsibility, to raise education and environmental awareness, and to manage the impact of the products on the environment and the lifecycle through design modification. It aligns with principles 7, 8 and 9 of the Global Compact.

6. Value Chain: this program seeks to promote the values of Corporate Social Responsibility and the Global Compact principles in the company supply chain. It aligns with the 10 principles of the Global Compact.

7. Service Excellence: this program seeks to establish excellence criteria in client and consumer assistance. It aligns with the 10 principles of the Global Compact.

8. Company, State and Community: this program seeks to promote a good relationship with the surrounding community, to encourage voluntary work, action and social initiatives, and to build partnerships for development with institutions and governments. It aligns with the 10 principles of the Global Compact.



KRETZ's sphere of influence.

In order to link the commitments made and the programs implemented under the Global Compact principles, we have developed an impact matrix. Vertically, this matrix shows the impact of the programs on the organization and on stakeholders. Horizontally, it shows the impact on performance and culture.

The matrix reflects every CSR program, how each contributes to better performance within the company and between the company and its value chain, and how each contributes to the promotion of values and a new ethics concept in the community.

_ ACTIVITIES
Description of the actions performed in the programs

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

These principles are derived from the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration on Environment and Development of the United Nations Environment Program.

By endorsing the United Nations Global Compact, CSR at KRETZ is mainstreamed and structured according to the universal principles. The following charts illustrate the company's CSR programs, their link to the Global Compact principles, the stakeholders involved, the actions performed and the outcomes achieved.

The company's CSR policy was formulated in 2004. The following charts illustrate the actions performed since then. Part 3 of this report highlights the outcomes achieved, specifically in the fiscal year 2009-2010, for each Global Compact principle.

KRETZ CULTURE KC

SUSTAINABLE COMPANY SC

DECENT EMPLOYMENT DE

VALUE CHAIN VC

INTEGRATED MANAGEMENT SYSTEM IMS

SERVICE EXCELLENCE SE

INCREASED KNOWLEDGE IK

COMPANY, STATE AND COMMUNITY CSC

KRETZ CULTURE

Starting and ending date: 2004 to present

Stakeholders: shareholders, workforce members, families of workforce members, suppliers, clients, civil servants, yacht clubs, the company management, the local community, artists, sportspeople

Actions and instruments:

- Second Social Balance Presentation
- CSR Kaizen renewal of workers' participation
- CSR internal workshop training continuity
- Relaunch of CSR actions, communications and proposals reception lunch
- Proposal for CSR
- First electronic Kaizen bulletin
- Family Day for socializing and recreation. Theme: GAUCHO
- End of year party, celebrating 46 years
- CSR action presentation and dissemination to all assistants
- Integration event: "Soccer World Cup 2010"
- Reader N°250 Award from the KRETZ Library
- Internal contest "Mom's/Dad's Job Award": Company tour
- $2400 annual investment to buy books for the KRETZ Library

DECENT EMPLOYMENT

Starting and ending date: 2004 to present

Stakeholders: shareholders, workforce members, suppliers and clients

Actions and instruments:

- Outsourcing counseling on Health, Hygiene and Working Safety
- In-company paid lunch
- Renewal of seasonal uniforms to all personnel
- Staff transportation charges paid by the company
- Plant medical assistance and staff vaccination annual campaigns (vaccinations for tetanus and flu)
- Staff Christmas gifts
- Intensive training of defibrillator use
- Maternity and paternity leave extension

Main Photo: Operator at work

1. Soccer match at the company campus

2. Defibrillator and its cabinet

3. Medical Room

4. Primitive verification Robot de

Main photo: Inventary control at the warehouse

1. Communication of KRETZ's strategic plan 2009 - 2014

2 & 4. KRETZ Quality Awards 2009

3. Furoshiki Training

INTEGRATED MANAGEMENT SYSTEM

Starting and ending date: 2004 to present

Stakeholders: Directors, workforce members, external consultants, regulation and control agencies, suppliers, clients

Actions and instruments:

- Permanent incorporation of quality systems and programs
- Quality norms implementation
- ISO 9001
- ISO 14001
- OHSAS 18001
- IRAM norms
- INTI
- Permanent personnel training
- Company's Strategic Plan Presentation for the next 5 years
- 2009 KRETZ Quality Award for continuous Kaizen improvement
- Semi-annual Internal Audits
- Publication of the 2009 Progress Report on the UN Website
- KRETZ Quality Annual Award 2010

INTEGRATED MANAGEMENT SYSTEM – COMMITMENTS UNDERTAKEN:

	Standard or legal instrument	Certification Authority	Subject	Detail
International	ISO 9001:2000	Bureau Veritas	Quality Management System	Grants national and international recognition through decreases in complaints and claims through standardization processes and continuous improvement.
International	ISO 14001:2004	Bureau Veritas	Environmental Management System	Optimizes processes and identifies any potential environmental impact. Permits preventive decision-making and integrates workforce members in a common project of environmental care. Permits proper waste management.
International	OHSAS 18001:1999	Bureau Veritas	Occupational Health and Safety Management System	Minimizes risk to workforce members, facilities and others. Gives greater compliance control with legal requirements.
International	GLOBAL COMPACT	United Nations	Corporate Social Responsibility and the fight against corruption	Generates and discloses an ethic commitment and guarantees all stakeholders worldwide its legal compliance.
National	RN 92/08	IRAM	Electrical Safety by Trademark	Includes all the company products. Every product undergoes an electrical safety obligatory control and products can be sold provided they are approved.
National	DN 788/03	INTI	Metrological product certification	All the weighing equipment must undergo a series of metrology tests stipulated by Argentinean Industry and Commerce Department of Metrologia Legal.

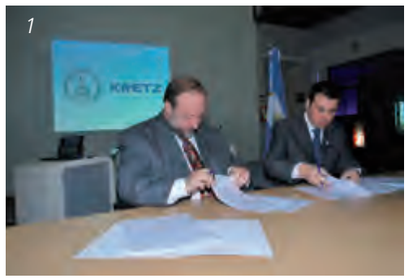
INCREASED KNOWLEDGE

Starting and ending date: 2005 to present

Stakeholders: Managers, workforce members, suppliers, universities

Actions and instruments:

- Mutual Cooperation Agreements with the National University of Rosario
- Loan of property to UNR for use in its Master's Degree in the Technology Career Program
- Internal educational background (37% of the staff have university degrees and 60% have technical education degrees)
- Tracking and controlling of measuring instruments
- Internal auditors training
- Global Compact Chair assistance from UNR visit
- Launching of GTEC career joint with UNR, UNNOBA, UTN Y UNER
- "FUROSHIKI" workshop (cloth wrapping) within INTI JICA framework
- Red Cross First Aid Training for all employees
- Donation of a digital weight indicator to the Technology and Manufacturing Chair of the UNR



Main photo: R&D intern

1. KRETZ and UNR sign agreement of GTEC

2. Presentation of UNR GLOBAL COMPACT CHAIR

3. Commencement of GTEC Program

4. Company Learning Day

SUSTAINABLE COMPANY

Starting and ending date: 2004 to present

Stakeholders: Directors, workforce members, families, suppliers, clients, government

Actions and instruments:

- Reforestation year 2010
- Sown recreation areas (soccer field)
- Waste recycling (separation and recycling of aluminum, stainless steel, carbon iron, copper, plastic, paper and cartons)
- Paper consumption control regulations
- Battery recycling
- Non-smoking company
- Hazardous waste destruction
- Final disposition of Electric/Electronic devices
- Water chemical and bacteriological analysis
- Sterilization of Pathogenic wastes
- 55% reduction on waste disposal

Main photo: Forestation of the industrial plant

1. Sown recreation areas

2. Forestation

3. Waste Classification

VALUE CHAIN

Starting and ending date: 2007 to present

Stakeholders: shareholders, workforce members, suppliers, clients, directors

Actions and instruments:

- Training workshops to stakeholders
- Development of a contractor's manual and regulations for anyone visiting the company
- Internal and External auditing to suppliers
- Circulation of Global Compact Principles to interested parties
- Presentation of 2009 Progress report to interested groups
- KRETZ inclusion to the first United Nation PNUD Publication "Contributions to human growing in Argentina"
- The promotion of recreation activities
- Control processes automation
- Reception of two Technical Schools from Misiones in order to spread the action of CSR and make people aware of it

Main photo: Familiarization of workforce with the Global Compact Principles

1. Perito Moreno School Visit

2. Presentation of 2009 Communication on Progress

3. Bunge Argentina Visit

4. ONU Presentation in which KRETZ Appears

SERVICE EXCELLENCE

Main photo: Operators interacting with clients

1. 2010 National Retailer Convention

2. Dealers training

3. Rosario Ice Cream Chamber Visit

Starting and ending date: 2007 to present

Initiators and responsible people: Managers and workforce members

Stakeholders: Workforce members, clients, consumers, suppliers

Actions and instruments:

- Expansion of the Domestic Technical Service Network countrywide
- 24 hour technical telephone assistance
- Participation in domestic and foreign shows
- Official technical support and dealer training on KRETZ's technological developments
- Reaching out to our consumers through a new technical support system in Rosario
- Warranty extension from 6 months to 1 year

COMPANY, STATE AND COMMUNITY

Starting and ending date: 2004 to present

Stakeholders: shareholders, workforce members, suppliers, clients, institutions, government, community

Actions and instruments:

- Encouragement of legal and contributory commitments between interested parties
- Implementation of a donation system for periodicals
- Collection and donation of toys to Pueblo Esther Commune by KRETZ families
- Donation of tools to School N°299 Ceferino Namucurá
- Donation of clothes, school supplies and two stoves to The Batea School of Cordoba. Clients and suppliers participated.
- Participation in public and private initiatives
- Scale donation to the Roque Saenz Peña Hospital Neonatal Unit
- Participation in benefit dinner for the Rosario Neurological Rehabilitation Foundation
- Sportswear donation to the 2010 Category of the Alvear Social and Sportive Club
- Scale donation to Conin Net – Entre Ríos
- Joint social projects planning with the Community Head of Pueblo Esther
- Donation of flags for public bicentennial commemoration
- Financial contribution and donation of furniture to the Arts and Craft House of the Pueblo Esther Community

Main photo: Rosario's Major, Miguel Lifschitz, visits the industrial plant

1. Local Children's Soccer Team Sponsors

2. Donation of educational supplies to the Batea Community, Córdoba.

3. Donation of Scale to the Roque Saenz Peña Hospital

4. Donation of Argentinean flags to the Pueblo Esther Community

CORPORATE SOCIAL RESPONSIBILITY REPORT

PART III

Chart of Global Compact Principles, GRI indicators and their corresponding outcomes.

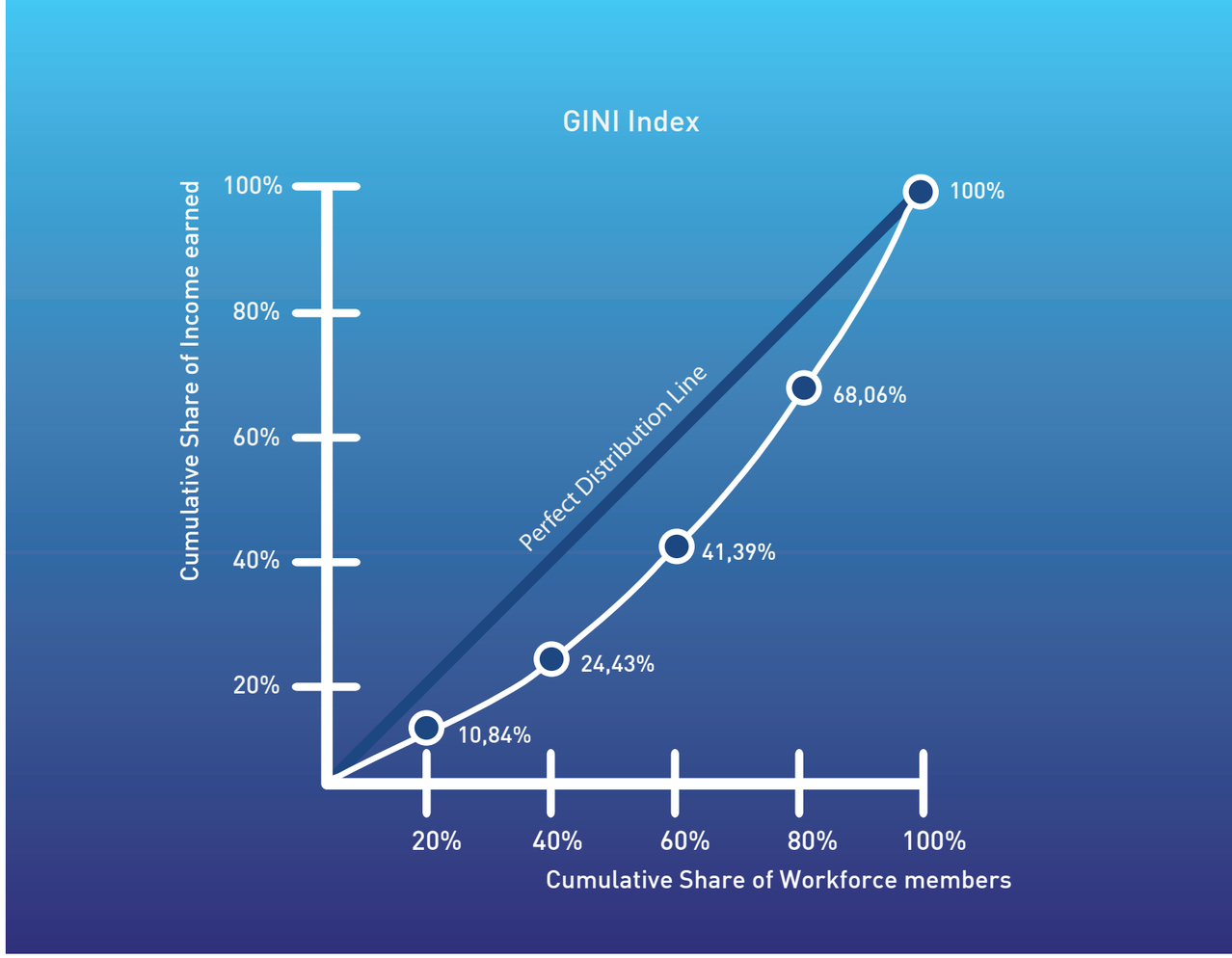
Referencies:

EC: Economic aspects
EN: Environment
LA: Labor practices
HR: Human rights
SO: Society
PR: Responsibility for products

ÁREAS	GC PRINCIPLES	APPROPRIATE GRI INDICATORS	KRETZ INTERNAL INDICATOR	JULY 2009	JULY 2010	DEGREE OF INTERNAL ACCEPTANCE
HUMAN RIGHTS	PRINCIPLE 1– Businesses should support and respect the protection of internationally proclaimed human rights.	EC5: Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Range and average of ratios of wages for direct employees. (1: Collective bargaining agreement, <1: higher at KRETZ, >1: Higher in the collective bargaining agreement	Average: 1,79 Lowest: 1,48 Highest: 2,22	Average: 1,85 Lowest: 1,43 Highest: 2,10	☺
		LA4- Percentage of employees covered by collective bargaining agreements.	Percentage of employees covered by collective bargaining agreements.	43,3 %	42,11 %	😐
		LA6- Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	0,111 %	9,50 %	☺
		LA7- Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Lost days	1	8	☺
			Minor accidents	1	2	
			Major accidents	0	0	
		LA8- Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	Work garments and uniforms	$ 28.800	$ 52.873	☺
			Transportation for the workforce members	$ 360.000	$ 416.353	
			Implementation of ergonomic elements	s/d	$ 7.343	
			Food for the workforce members	$ 221.000	$ 308.000	
		LA9- Health and safety topics covered in formal agreements with trade unions.	Health care at the plant	$ 14.400	$ 14.400	☺
			Vaccination campaign	$ 2.025	$ 2.264	
		HR2- Percentage of significant suppliers and contractors that have undergone screening regarding human rights and actions taken.	Visits to suppliers	77 visits y 19 audits	45 visits y 3 audits	😐
		HR3- Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	CSR training	44 hours	608 hours.	☺
		HR4- Total number of incidents of discrimination and actions taken.	Total number of incidents of discrimination and actions taken.	0	0	☺

		HR9- Total number of incidents of violations involving rights of indigenous people and actions taken.	To tal number of incidents of violations involving rights of indigenous people and actions taken.	0	0
		SO5- Public policy positions and participation in public policy development and lobbying.	Participation in employers' organizations	13	10
		PR2- Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	To tal number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	0	0
		PR4 - Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcome.	To tal number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcome.	0	0
		PR5 - Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Client satisfaction average weighted index	8.3 out of 10	s/d
			Market research investment	$ 14.000	s/d
			Decrease in delivery time	Decrease of 10 %	s/d
		PR7 - Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcome.	To tal number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	0	0
		PR8- Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	To tal number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	0	0
		PR9 - Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	$0	$0
	PRINCIPLE 2 – Businesses should make sure they are not complicit in human rights abuses.	HR2- Percentage of significant suppliers and contractors that have undergone screening regarding human rights and actions taken.	Visits to suppliers	77 visits y 19 audits	45 visits y 3 audits
		HR3- Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	CSR training	44 hours	608 hours
		HR4- Total number of incidents of discrimination and actions taken.	To tal number of incidents of discrimination and actions taken.	0	0
		HR9- Total number of incidents of violations involving rights of indigenous people and actions taken.	To tal number of incidents of violations involving rights of indigenous people and actions taken.	0	0
		SO5- Public policy positions and participation in public policy development and lobbying.	Participation in employers' organizations	13	10

The following chart shows income distribution in the company. Line X represents the cumulative share of workforce members, divided into five segments. Line Y represents the cumulative share of income earned. Thus, 20% of the workforce members earn 9.26% of the income, 40% of the workforce members earn 20.82% of the income, and so on. This reflects an acceptable curve of income distribution in the company



AREAS	GC PRINCIPLES	APPROPRIATE GRI INDICATORS	KRETZ INTERNAL INDICATO		JULY 2009	JULY 2010	DEGREE OF INTERNAL ACCEPTANCE
LABOUR	PRINCIPLE 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA1- Total workforce by employment type, employment contract, and region.	To tal workforce		90	97	
			By employment type, employment contract	C.b.agreemen	39	43	
				Out of c.b. agreemen t	51	54	
			and region.	Rosario / Pueblo Esther	73/4	75/10	
				Rest of Argentina	13	2	
		LA4- Percentage of employees covered by collective bargaining agreements.	Percentage of employees covered by collective bargaining agreements		43,30%	42,11%	
		LA5- Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.		3 meses	2 meses	
		HR2- Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Visits to suppliers		77 auditorías y 19 visitas	45 visitas y 3 auditorías	

KRETZ

		HR3- Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	CSR training	44 hours	608 hours	☺
		SO5- Public policy positions and participation in public policy development and lobbying.	Participation in employers' organizations.	13	10	😐
	PRINCIPLE 4 – Businesses should uphold the elimination of all forms of forced and compulsory labour	LA10 - Average hours of training per year per employee by employee category.	Av erage hours of training per year	18,19	14,12	😐
		HR2- Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Visits to suppliers	77 visits 19 audits	45 audits 3 visits	☺
		HR3- Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	CSR training	44 hours	608 hours	☺
		SO5- Public policy positions and participation in public policy development and lobbying.	Participation in employers' organizations	13	10	😐
	PRINCIPLE 5 – Businesses should uphold the effective abolition of child labour.	HR2- Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Visits to suppliers	77 visits 19 audits	45 audits 3 visits	☺
		HR3- Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	CSR training	44 hours	608 hours	☺
		SO5- Public policy positions and participation in public policy development and lobbying.	Participation in employers' organizations	13	10	😐
	PRINCIPLE 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	EC6 - Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Percentage of locally-based suppliers compared to internationally-based suppliers	83%	88%	☺
		LA2- Total number and rate of employee turnover by age group, gender, and region.	Rate of employee turnover	0,48	0,24	☺
		LA13- Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group member-ship, and other indicators of diversity.	Percentage of women per position	Management	50%	50%
				Adminis-tration and Financ e	36,40%	45%
				Trad e	11,80%	11%
				Purchase s	16,55%	17%
				Qualit y	0%	25%
				Manufacture	23,25%	80%
				Service	0%	0%
				R& D	8,33%	8%
				IT	66,70%	50%
				Maintenance	0%	0%
		LA14- Ratio of basic salary of men to women by employee category.	Ratio of salary of men to women	Management	1,30	1,22
				Adminis-Financ	1,94	1,40
				Trade	2,52	1,23
				Purchase	1,21	0,86
				Quality	N/A	0,80
				Manufacture	1,18	0
				Service	N/A	0
				R&D	2,04	1,31

			IT	0,81	0,79	
			Manteinance	N/A	0	
		HR2- Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Visits to suppliers	77 visits 19 audits	45 audits 3 visits	☺
		HR3- Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	CSR training	44 hours	608 hours	☺
		HR4- Total number of incidents of discrimination and actions taken.	To tal number of incidents of discrimination and actions taken.	0	0	☺
		SO5- Public policy positions and participation in public policy development and lobbying.	Participation in employers' organizations	13	10	😐

AREAS	GC PRINCIPLES	APPROPRIATE GRI INDICATORS	KRETZ INTERNAL INDICATOR	JULY 2009	JULY 2010	DEGREE OF INTERNAL ACCEPTANCE
Environment	PRINCIPLE 7 – Businesses should support a precautionary approach to environmental challenges.	EN30- Total environmental protection expendi-tures and investments by type	Green spaces	$4.905	$2.299	☺
			Wa ste classification and recycling	$1.315	$2.577	
			Urban solid waste collection	$519	$618	
			Destruction of hazardous waste	$243	$153	
			Final disposure of Electronic Apparels	N/A	$42	
			Chemical and bacteriological analysis of water	$0	$62	
			Pathogenic waste sterilization	$318	$428	
		SO5- Public policy positions and participation in public policy development and lobbying.	Participation in employers' organizations	13	10	😐
	PRINCIPLE 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	EN1- Materials used by weight or volume.	Aluminium (Kg)	37.103	35.532	☺
			Cardboard (Kg)	30.651	30.477	
			Plastic (Kg)	38.732	39.839	
			Electronics (Equip. Units)	63.417	64.156	
		EN2- Percentage of materials used that are recycled input materials.	Cardboard	735	763	☺
			Plastic	59,50	82	
			Metals	108,92	0	
			Hazardous waste	1,99	3	
			Batteries	10,58	0	
		EN3- Direct energy consumption by primary energy source.	Direct energy consumption by primary energy source Electric power	4.600KW annual	4.600 KW annual	☹
		EN5- Energy saved due to conservation and efficiency improvements	Electric power	0	0	😐
		EN8- Total water withdrawal by source.	To tal water withdrawal by network.	900m³ /year	900m³ /year	😐
		EN14- Strategies, current actions, and future plans for managing impacts on biodiversity.	Percentage of afforestation	92%	92%	😐
		EN22- Total weight of waste by type and disposal method.	Urban solid waste (annual kg.)	7.400 kg	3.380 kg	☺
		EN28- Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	$0	$0	☺
		EN30- Total environmental protection expendi-tures and investments by type.	Green spaces	$0	$0	☺
			Wa ste classification and recycling	$4.905	$2.299	
			Urban solid waste collection	$1.315	$2.577	
			Destruction of hazardous waste	$519	$618	
			Chemical and bacteriological analysis of water	$243	$153	

		SO5- Public policy positions and participation in public policy development and lobbying.	Participation in employers' organizations	13	10	☺
		RP4- Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes. Information requirements.	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	0	0	☺
	PRINCIPLE 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2- Percentage of materials used that are recycled input materials.	Cardboard	735	763,00	☺
			Plasti c	60	82,00	
			Metal s	109	0,00	
		EN5- Energy saved due to conservation and efficiency improvements.	Electric power	0	0	☺
		EN30- Total environmental protection expenditures and investments by type.	Green spaces	$4.905	$2.299	☺
			Wa ste classification and recycling	$1.315	$2.577	
			Urban solid waste collection	$519	$618	
			Destruction of hazardous waste	$243	$153	
			Chemical and bacteriological analysis of water	$0	$62	
		SO5- Public policy positions and participation in public policy development and lobbying.	Participation in employers' organizations	13	10	☺

AREAS	GC PRINCIPLES	PPROPRIATE GRI INDICATORS	KRETZ INTERNAL INDICATOR	JULY 2009	JULY 2010	DEGREE OF INTERNAL ACCEPTANCE
ANTI– CORRUPTIO N	PRINCIPIO 10 – Businesses should work against corruption in all its forms, including extortion and bribery.	SO5- Public policy positions and participation in public policy development and lobbying.	Participation in employers' organizations	13	10	☺
		SO6- Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	$ 30.572	$ 14.929	☺
		SO7 - Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Legal actions identified for anti-competitive behavior, anti-trust, and monopoly practices.	$0	$0	☺
		SO8 - Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Late Filing of Tax Affidavits	$181,00	$200,00	☺

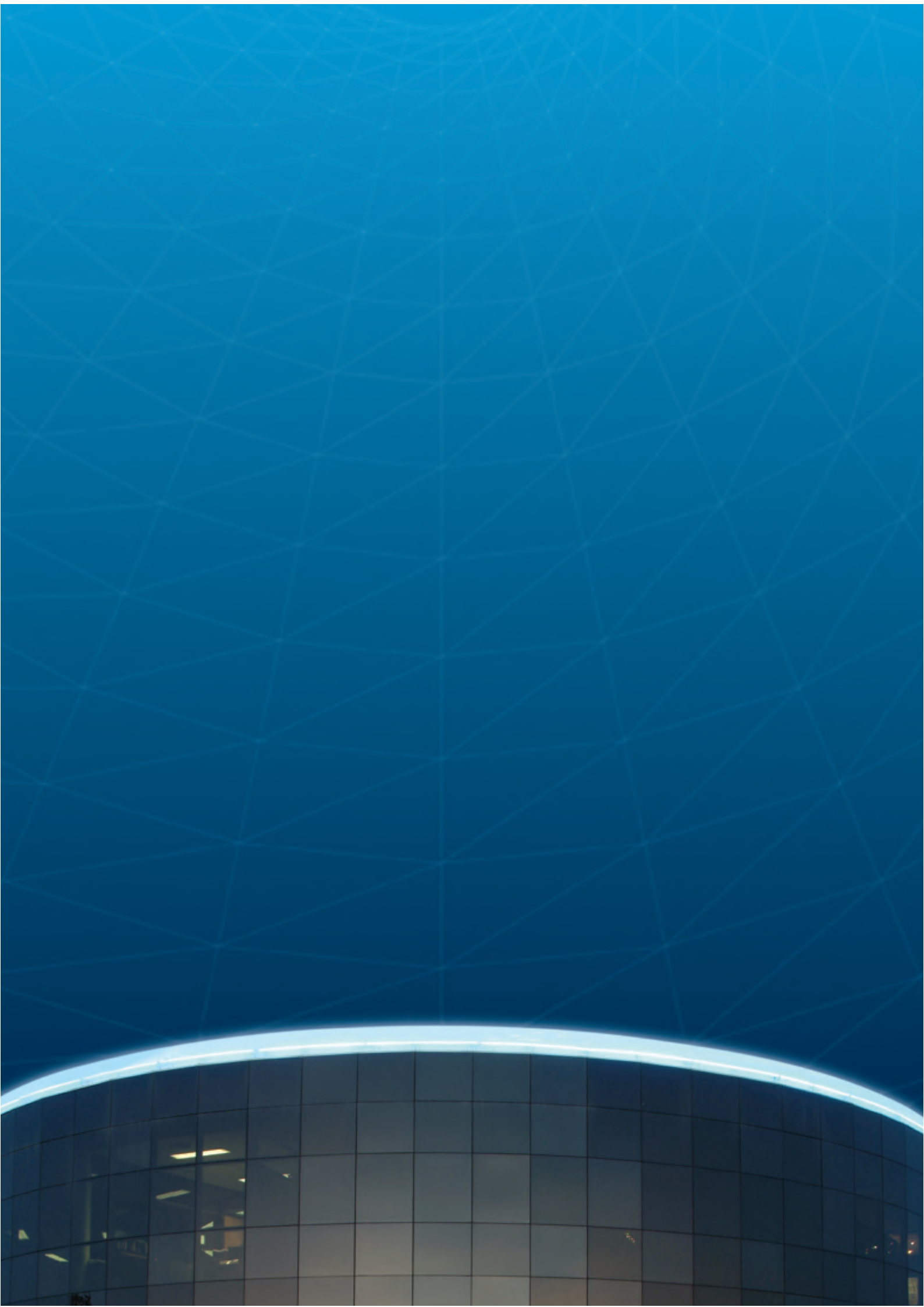
Note:
Indicator SO5 shows participation in ten employers' organizations, as detailed below:

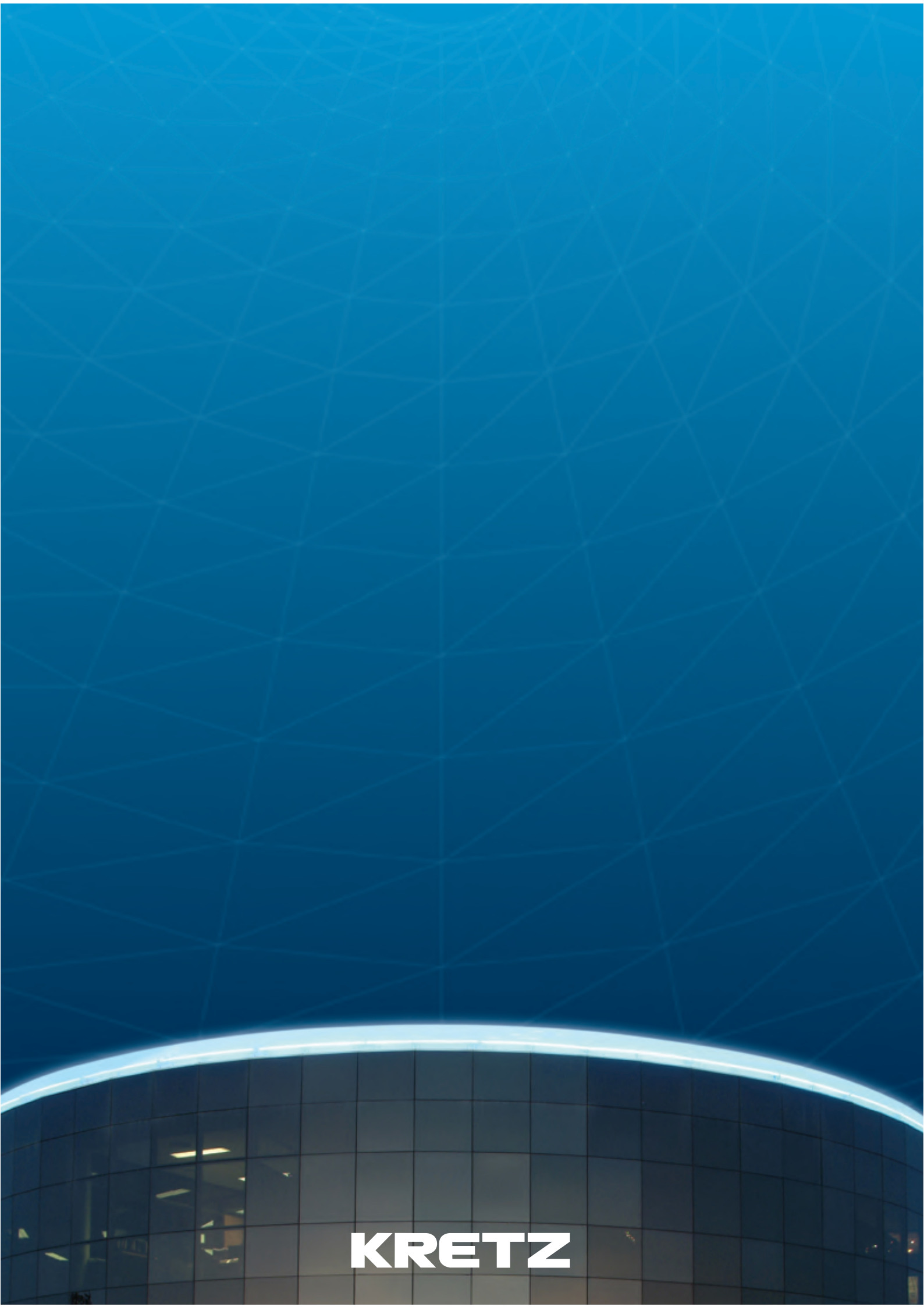
1. Chamber of Manufacturers of Weighing and Measuring Instruments (CAFIPEM)
2. Chamber of Foreign Trade of Rosario
3. Chamber of Exporters of Rosario
4. Chamber of office Machines (CAMOCA)
5. Industry and Commerce Federation of Rosario
6. Rosario Stock Exchange
7. Argentine Renewable Energies Chamber
8. Rosario-Italian Chamber
9. Argentine-Mexican Chamber of Commerce
10. Argentine–Chilean Chamber of the Littoral Region

KRETZ
www.kretz.com.ar

_Planta Industrial
Pueblo Esther
Ruta Nac. n 9 km. 276
2126 | Santa Fe
Argentina
Tel: +54 (0341) 492-7400
Fax: +54 (0341) 492-7410

_Oficinas
Rosario
Pasco 1884
S2000ECL | Santa Fe
Argentina
Tel: +54 (0341) 482-6049
Fax: +54 (0341) 482-5945

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