

CODE OF  
*CONDUCT AND  
RESPONSIBLE  
PRACTICES OF THE  
GRUPO ARANIA*





## LETTER FROM THE PRESIDENT

The ARANIA Group began life in 1940, during difficult times, as a small stamping workshop in the street Botica Vieja in Bilbao, which my grandfather founded with his friend Estefanía. The original project was small and humble, but here we are still going strong 75 years later, a third generation taking the project forward.

It has been a slow and very laborious evolution during which, obviously, we have changed a lot.

Although the connection with the world of steel processing has always been present, those beginnings bear little relation to the current project, as you would expect. But I would like to think that what has persevered through all this time is the “spirit of the ARANIA Group”, a special spirit based on people and their ability to solve problems by working hard. Austerity, industry and responsibility, with high doses of boldness, have been the values that have sustained our development and have forged the Group’s culture.

We have always been clear that it is not only our products that are in competition but also, and more importantly, the corporate culture that is behind them and leads to their production. Our value proposition to the market is therefore based on a culture, and that is the key that will allow us to differentiate ourselves and prosper.

At one time it was believed that a good balance was sufficient protection against bad times. But as we have seen, there is no balance that can withstand a long and deep crisis. Companies of all sizes and balances have suffered greatly, because of a failure in the management of intangibles, because of the absence of a corporate culture founded on values shared by the people who work in them and of a management model that provides support in a sustainable way.

This has not been the case with the ARANIA Group, where thanks to our management model and by working on the management of culture and values, in recent years, coinciding with one of the worst crises that I can remember, we have rebuilt the foundations on which our Group rests. We have left behind once and for all an industrial paradigm based solely on the management of productivity and cost and we have shifted to another where our focus is on value-added management. Making people the cornerstone of our work, internationalisation, diversification, innovation and operational excellence are the pillars on which our new model is built. This change is allowing us to lay the foundations for a new and exciting business reality.

With this CODE OF CONDUCT AND RESPONSIBLE PRACTICES we take another step forward in our policy of defining and disseminating the company culture that identifies us. With it we formalise in writing the values that we propose to respect and that in the long-term will ensure our reputation and the trust of our customers, suppliers, employees and society in general.

And only then, on the basis of excellent corporate governance practices and true to the long-term vision that should characterise us as a family business, can we build a bridge to take us forward into the future, towards a position of leadership in Europe.

Mr Eric Arana  
President

*Euba-Amorebieta, 5 November 2015*





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# PRESENTATION

The ARANIA Group this year celebrates the 75th anniversary of its establishment in 1940.

And we are now at a point within this long history that can be defined as the culmination of a process of transformation and cultural change that was initiated ten years ago.

And precisely during this last year we have worked hard to analyse, structure and design a value proposition built around our identity and corporate reputation, identifying our best practices to incorporate them into a code of conduct.

Our long-term vision focuses our efforts on creating a relationship with the customer based on quality and the generation of shared value; an alliance that should endure regardless of economic cycles or difficult situations like those we have experienced during the economic crisis.

This creation of loyalty is a challenge in which the people who make up the ARANIA Group constitute the base on which our entire strategy of sustainable growth is built.

The markets are also becoming increasingly demanding with regard both to the quality of our products and services and also to the way we produce them and the quality of our processes.

It is at this point that Corporate Social Responsibility – the equilibrium between our legitimate right to generate wealth and the use of practices that are economically, socially and environmentally sustainable – brings a differential value to our identity and reputation, and helps us to identify and respond to the requirements and expectations of our Stakeholders: the people who make up the ARANIA Group and our customers – the basic engines of our sustainability and competitiveness – and partners and public and social institutions with which we interact.

Corporate Social Responsibility is therefore a strategy that we assume in a voluntary way and from a deep conviction. But it also has an operational role that will allow us to respond more efficiently to the needs of our customers, who demand from us a clear and documented statement of our position regarding our sustainable practices.

Nor can we forget the institutions, which are progressively incorporating Corporate Social Responsibility as a selection factor when it comes to the support of initiatives or investments aimed at improving competitiveness.

In this context, and to give a unified response as a Group to the inevitably differing perceptions about our values and commitments, we have drafted a document that represents a definition of our identity and culture.

We have called this document the CODE OF CONDUCT AND RESPONSIBLE PRACTICES OF THE ARANIA GROUP and its aim is to strengthen ties with Stakeholders based on a clear statement of our values and commitments: the way in which we carry out our business activity. In no way do we understand the Code of Conduct as an instrumental document, either as a declaration of intent or as an apparent improvement in the social sphere with respect to our Stakeholders.

Neither is this Code of Conduct the result of improvisation, to suddenly declare that we are socially responsible in the face of a socio-economic environment where companies that have pursued short term success as the main strategic challenge have taken precedence.

«This Code of Conduct represents the reference framework that all those who make up the ARANIA Group will commit to and that we will translate to our customers, suppliers and partners.»

We will also make it visible to our competitors in a spirit of free competition based on transparency and honesty, and where sustainability is regarded as a driving force in our local, national and international environment.

Finally, the Code of Conduct and Responsible Practices is not just another step forward in the progress of the ARANIA Group but is instead a key milestone, because we also see it as the fruit of the effort and commitment of all the people who since 1940 have worked and work for the ARANIA Group to remain an industry benchmark in the context of advanced management models.



## SCOPE OF APPLICATION

This Code of Conduct implies an obligation of compliance for both personnel within the ARANIA Group and also for those who have a professional relationship with the Group companies.

The considerations included in this document will be taken into account in contractual relationships with personnel but will not serve to modify the existing relationship.

The management will establish the identification and implementation of operating procedures consistent with the corporate values of the Group.

For this purpose:

- ▶ The Code of Conduct will be distributed to all personnel so that they are informed of its contents.
- ▶ All personnel will be required to commit to compliance.
- ▶ The Code of Conduct becomes the reference document regarding both internal and external practices of personnel for the carrying out their role in the ARANIA Group. The content of this therefore prevails over other internal rules, provided that these do not establish a higher level of requirement than the Code of Conduct itself.
- ▶ The Code of Conduct does not override existing legislation, whether regional, national or legislation that applies in each of the countries where our activity is being carried out.

# IDENTITY AND CORPORATE REPUTATION: OUR VALUES

Our identity and corporate reputation is supported and defined by the following VALUES that characterise us and shape our actions, both internal and external:

## HONESTY

▶ **Integrity of approach**

The strategic approach of the ARANIA Group is based on respect for, and compliance with, the regulations and people's rights, proscribing transgressive strategies or dubious practices.

▶ **Transparency**

The organisational culture is based on communication and the provision of information to our Stakeholders from a perspective of maximum transparency.

The only limit we impose involves the need to preserve the confidentiality of information that might endanger our organisation.

## COOPERATION

▶ **Inclusion**

Our strategic planning identifies, analyses and incorporates the recommendations and expectations of our Stakeholders.

We pay special attention to the people who are part of our organisation and to our customers and suppliers, who we consider as allies who form an integral part of our strategic decisions.

## RESPONSIBILITY

### ► **Promote sustainable practices**

The ARANIA Group is committed to the identification of processes that could cause a negative impact on the environment and promotes activities to reduce this impact to minimum levels or that prevent it from occurring at all, depending on its origin and the existence of valid alternatives.

### ► **Monitoring our behaviour**

Management to ensure sustainable development involves compliance with current regulations and trust in the people working for the company, the customers and suppliers. In addition, we have established the post of the CSR Coordinator, who is responsible for monitoring and evaluating the sustainability of the practices in the organisation and for proposing any corrective measures deemed appropriate.

### ► **Risk prevention and safety at work**

Risk prevention and safety at work are priorities for the ARANIA Group, and their management is driven by individual behaviour, with supporting training, advanced equipment and processes geared towards the highest possible workplace safety.

## CONTRIBUTION

### ► **Relationship with the environment**

To support the creation of value in our environment, within a recruitment policy that respects the principles of equality, skills and abilities, and supporting cultural initiatives to the extent that available resources allow.





# COMMITMENTS

The Responsible Practices of the ARANIA Group are manifested through a series of commitments both to our Internal Stakeholders, especially the people who make up our organisation, and also to those outside the company but who have a relationship with the company or participate in our operations.

These commitments are backed by the identification and implementation of procedures that favour their real and effective implementation.

## INTERNAL COMMITMENTS

Within the scope of the application of this Code of Conduct, one of the principle requirements is the commitment to the Internal Stakeholders, and it must therefore guarantee the rights of all the internal groups involved.

### SHAREHOLDERS

- ▶ Convey confidence in the ARANIA Group project with full support for the best practices based on integrity and ethics.
- ▶ Strengthen the balance between the legitimate return on investment and business strategies that are sustainable and take into account the needs of the different Stakeholders.
- ▶ Publicise the reliability of the ARANIA Group in the appropriate forums and media, as well as the progress being made in terms of responsibility and the adoption of good practices.

### MANAGEMENT

- ▶ Comply with the requirements and recommendations of this Code of Conduct and make sure that all the personnel do the same.
- ▶ Establish the appropriate internal and external mechanisms for the monitoring of this compliance.

- ▶ Provide information about the ARANIA Group strategy and projects with the greatest possible transparency, to achieve a high level of commitment and participation from everyone within the organisation.
- ▶ Commit to an effective equality of treatment and opportunity in access to jobs and working conditions.
- ▶ Promote people according to objective criteria based on merit and experience.
- ▶ Facilitate the upgrading of skills and capabilities of the personnel for the efficient carrying out of their assigned responsibilities and functions.
- ▶ Ensure that a system of risk prevention and safety at work is in place that incorporates the appropriate measures to avoid unnecessary risks.
- ▶ Facilitate the reconciliation of work and personal life.
- ▶ Promote the presence of women in management teams to increase their effective integration.
- ▶ Offer job opportunities to disadvantaged groups to support their social inclusion and collaborate on alternatives aimed at their integration.
- ▶ Prohibit the recruitment of children under 16 years of age.

## PEOPLE

- ▶ Maintain confidentiality regarding information generated by the activity of the ARANIA Group.
- ▶ Communicate directly and quickly any situation or internal behaviour that is not in line with the values, integrity and ethics that are the foundation of the ARANIA Group.
- ▶ Avoid and reject actions which provide a customer and/or supplier with an advantage or benefit in a way that jeopardises the principle of free competition, in exchange for any kind of compensation.



## EXTERNAL COMMITMENTS

The expectations, recommendations and requirements of External Stakeholders form a very important part of our decision making process.

Their expectations, recommendations and requirements are collected and analysed and responses provided through adequate channels of communication.

### CUSTOMERS

- ▶ Communicate and disseminate the Code of Conduct to all customers as a commitment to sustainability by the ARANIA Group.
- ▶ Inform our customers about the trading conditions and characteristics of the product and/or service in a way that is transparent and understandable, especially those related to the useful life and recovery and/or recycling solutions.
- ▶ Adapt the ARANIA processes to the socio-cultural diversity that working in international markets entails, attempting to respect local customs such as holidays, religious festivals or other events of special importance.
- ▶ Reject business proposals that are not acceptable to the ARANIA Group either because it is not possible to provide the high quality that the company demands of itself or because they involve the distortion of free competition through the receipt of unregulated compensation, in the form of commissions, gifts or gratuities from the customer.
- ▶ Guard confidential information generated in the business relationships with our customers in an effective way and ensure that it will not be used against them and their interests.
- ▶ Spread the culture of sustainability to all the customers as part of the relationship and the generation of value within a strong collaborative partnership.

### SUPPLIERS

- ▶ Communicate and disseminate this Code of Conduct to all the suppliers as a commitment to sustainability by the ARANIA Group.

- ▶ Certify the suppliers by incorporating, as far as possible, criteria of sustainability, such as the source of raw materials, respect for human rights and anti-corruption measures.
- ▶ Monitor, through follow-up questionnaires, the level of sustainability achieved by each supplier. In the case of negative behaviour concerning the respect for human rights, compliance with the regulations governing the protection of the environment, health and safety at work or the hiring of minors, consider terminating the relationship with that supplier.

## COMPETITORS

- ▶ The ARANIA Group competes in both the domestic and international markets in compliance with the different regulations that ensure free competition and avoid price control, allocation of markets or abuse of a dominant position.

## PARTNERS

- ▶ Communicate and disseminate this Code of Conduct to all the partners as a commitment to sustainability by the ARANIA Group.
- ▶ Consider the company's partners as essential agents in the activity of ARANIA Group.
- ▶ Establish a relationship with partners based on trust, respect for the corporate identity and the generation of shared value.
- ▶ Seek from partners practices that are sustainable and respectful of people and the environment, as well as the complete protection of information and intellectual and industrial property to which they have access because of their relationship with the ARANIA Group.

## SOCIAL CONTEXT

- ▶ The relationships established by the ARANIA Group with different agents, organisations and institutions, both at local, national and international level are based on the principles of collaboration and transparency.

- ▶ Participation in programmes and projects that have public funding will be managed with maximum transparency and with justification of the investment for the requested purpose.
- ▶ The ARANIA Group will provide resources for the collaboration agreements with local institutions, especially those aimed at the social and labour inclusion of disadvantaged groups.

## ENVIRONMENT

- ▶ Environmental protection and sustainable development are key elements in the strategy of the ARANIA Group.
- ▶ The ARANIA Group is an organisation which has implemented a culture of continuous improvement, giving rise to the quality and environmental policies which through a variety of different certifications guarantee the Stakeholders a management quality that goes far beyond the official requirements.
- ▶ In its relations with the Stakeholders, the ARANIA Group assumes an active role in the transmission of values related to sustainable development.



# INTERNAL ORGANS AND MONITORING AND VERIFICATION PROCEDURE

CSR in the ARANIA Group involves a number of mechanisms for monitoring and control to ensure compliance for all Stakeholders.

## CSR COORDINATOR

The CSR Coordinator has authority to act both on his or her own initiative and also at the instigation of any person or organisation having a relationship of mutual interest with the ARANIA Group in the carrying out of its professional activity.

The functions of the CSR Coordinator are:

- ▶ Internal communication of this Code of Conduct to all the personnel of the ARANIA Group.
- ▶ External communication with customers, suppliers and partners, either directly or through people who have a closer and trustworthy relationship with these Stakeholders.
- ▶ To collect, analyse and provide a response to all matters affecting the implementation of this Code of Conduct.
- ▶ To inform the CSR Committee on all cases of non-conformity identified.
- ▶ To advise the people in charge of the different departments on CSR issues.
- ▶ To monitor and evaluate the indicators associated with CSR in the ARANIA Group.
- ▶ To update this Code of Conduct on an annual basis, incorporating all the changes that have been necessary.

## CSR COMMITTEE

The main function of the ARANIA Group's CSR Committee is to generate and present an organisational culture related to CSR and to a unique identity for the entire Group regarding responsible practices.

The composition of the CSR Committee is as follows:

- ▶ *President*
- ▶ *CEO*
- ▶ *CSR Coordinator*

The CSR Committee will schedule an ordinary meeting each year but may call an extraordinary meeting at any time if the issues to be addressed are urgent.

## PROCEDURE

Anyone is entitled to inform the CSR Coordinator of their complaints, suggestions or any other issue they consider appropriate, in the event that they believe that the Code of Conduct has been violated.

The procedure to be followed consists of a verbal or written communication to the CSR Coordinator who will ensure the utmost confidentiality of all information received.

The CSR Coordinator will have the power to interpret and resolve any issue that could represent a conflict with the contents of the Code of Conduct.

All the issues to be dealt with will be resolved and the person who initiated the procedure will be notified.

The CSR Coordinator will inform the CSR Committee about all the issues that have been dealt with.



# COMMUNICATION

Through this Code of Conduct the ARANIA Group assumes and promotes a public display of its ethical and socially responsible management.

The review and approval of this Code of Conduct has been carried out by the different decision-making organs:

Presidency  
Senior Management

## INTERNAL COMMUNICATION

CSR is a value that we wish to share with everyone in the organisation. To do this, communication must be made completely transparent, providing sufficient information and seeking greater participation in decision making.

- ▶ All the personnel who make up the ARANIA Group are required to comply with this Code of Conduct, since the main objective is to ensure that the practices of the Group are based on honesty, integrity and sustainability, these being an essential part of our corporate reputation.
- ▶ A copy of the Code of Conduct will be displayed to all the personnel of the ARANIA Group and direct access to the document will be provided.
- ▶ The CSR Coordinator is required to provide communication channels for all the personnel who make up the ARANIA Group to promote a better understanding and application of the Code of Conduct.

## EXTERNAL COMMUNICATION

The commitment to transparency is also transferred to the External Stakeholders through communication of this Code of Conduct.

Making this into a public document represents an open declaration regarding our activities and resources, as an exercise of responsibility towards our environment.

The contributions, suggestions or clarifications to be made to this Code of Conduct will be coordinated by the CSR Coordinator.

In order for any person, organisation or institution to access its contents, the Code of Conduct is available to all the Stakeholders of the ARANIA Group and through the normal means of communication.

For the contents of the Code of Conduct to reach our Stakeholders with the greatest possible clarity and transparency, it has written in the following languages:

- Spanish | ES
- Euskera | EU
- English | EN
- French | FR
- German | DE
- Slovak | SK
- Russian | RU



# UNIVERSAL PRINCIPLES AND COMMITMENTS VOLUNTARILY ASSUMED

The ARANIA Group assumes and incorporates the following PRINCIPLES and COMMITMENTS:

- **10 Principles of the Global Compact.**  
<http://www.pactomundial.org/category/aprendizaje/10-principios/>
- **Business Social Compliance Initiative (BSCI) Code of Conduct.**  
<http://www.bsci-intl.org/resources/code-of-conduct>
- **Better Work Programme (ILO).**  
[http://www.ilo.org/global/programmes-and-projects/WCMS\\_084616/lang--en/index.htm](http://www.ilo.org/global/programmes-and-projects/WCMS_084616/lang--en/index.htm)
- **Agenda 21 for Sustainable Development (Rio De Janeiro, 1992).**  
<http://www.un.org/spanish/esa/sustdev/agenda21/>
- **The United Nations Convention against Corruption (2005).**  
<http://www.programaanticorruptcion.gob.mx/index.php/internacionales/convenciones/convencion-de-las-naciones-unidas-contra-la-corrupcion-onu.html>
- **Corporate Social Responsibility. European Union.**  
[http://ec.europa.eu/growth/industry/corporate-social-responsibility/index\\_en.htm](http://ec.europa.eu/growth/industry/corporate-social-responsibility/index_en.htm)





GRUPO arania

SINCE 1940

GRUPOARANIA®

Barrio San Antonio, s/n ctra. N-634 km 88  
48340 Euba-Amorebieta I Bizkaia (España)  
T. +(34) 946 300 386 | F. +(34) 946 734 150

[info@grupoarania.com](mailto:info@grupoarania.com) | [www.grupoarania.com](http://www.grupoarania.com)