

INTEGRATED MANAGEMENT MANUAL – POLICY

The management of MONDRAGON ASSEMBLY S.COOP has established its Management Policy in order to highlight the company's intentions and guidelines in terms of strategy, people, interest groups, and social responsibility.

DECLARATION OF THE POLICY**1. REGARDING THE GENERAL STRATEGY:**

- **MONDRAGON ASSEMBLY works closely with the customer**, seeking closeness and identification, as well as commitment to their real needs in order to achieve their satisfaction.
- **MONDRAGON ASSEMBLY is an organisation based on people** and teamwork.
- **MONDRAGON ASSEMBLY is committed to innovation and development with the promotion of R&D projects and continuous improvement** as ways to guarantee its future competitiveness and provide added value to its customers and society in a sustainable manner.
- **MONDRAGON ASSEMBLY** is committed to **integrating the management** of Quality, Occupational Safety and Health, Environment, Corporate Social Responsibility and Criminal Compliance in all activities of the company and at all levels of the organisation, defining responsibilities and providing the adequate means and training to be exercised with guarantee of success.
- **MONDRAGON ASSEMBLY** integrates Sustainable Development in its decisions at all levels
- MONDRAGON ASSEMBLY has an **international vocation** and is open to the world and other cultures, always respecting their singularities.

2. REGARDING THE PEOPLE OF MA:

- **MONDRAGON ASSEMBLY works in a preventive way to ensure the health, safety and well-being of all employees** through safe work systems and facilities, conducting inspections and risk assessments on a scheduled basis and whenever the situation warrants.
- **MONDRAGON ASSEMBLY actively monitors the health** of its workers and that of the collaborating staff.

3. REGARDING THE INTEREST GROUPS:

- **MONDRAGON ASSEMBLY has communication channels** with its priority interest groups in order to know what they think, what their demands are, and how they value us.
- **MONDRAGON ASSEMBLY respects** their ideas, expectations, and interests. It identifies and evaluates the relevance of issues in relation to these stakeholders, planning actions and evaluating results through continual feedback with them.

4. REGARDING SOCIAL RESPONSIBILITY:

- **MONDRAGON ASSEMBLY is committed to compliance with the 10 Principles universally accepted** and compiled in **The Global Compact**:
 1. "Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence."
 2. "Businesses should make ensure that they are not complicit in human rights abuses."
 3. "Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining."
 4. "Businesses should eliminate all forms of forced or compulsory labour."
 5. "Businesses should effectively abolish child labour."
 6. "Businesses should eliminate discrimination in respect to employment and occupation."
 7. "Businesses should support a precautionary approach with respect to environmental challenges."
 8. "Businesses should undertake initiatives to promote greater environmental responsibility."
 9. "Businesses should encourage the development and diffusion of environmentally friendly technologies."
 10. "Businesses should work against corruption in all its forms, including extortion and bribery."
- **MONDRAGON ASSEMBLY is committed to respecting the environment**, using non-harmful products and preventing environmental impact and pollution by reducing the generation of waste and consumption of resources.

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- **MONDRAGON ASSEMBLY is committed to the environment and to society**, developing social investment initiatives. **At MONDRAGON ASSEMBLY, accountability is performed** by senior management.
- **At MONDRAGON ASSEMBLY, there is a commitment to transparency and a periodic communication** about the performance of the organisation, made to the priority interest groups.
- To summarise its commitment to the general ideas of Social Responsibility presented in the previous points, MONDRAGON ASSEMBLY has a **Code of Conduct** and Policies as a **guide for the behaviour to be followed** by all the members of its Group.

5. REGARDING THE PREVENTION AND COMPLIANCE OF CRIMINAL RISKS (Criminal Compliance):

- The performance of criminal acts is prohibited at Mondragon Assembly.
- All members of **MONDRAGON ASSEMBLY** shall comply with the criminal legislation applicable to the organisation.
- No one in **MONDRAGON ASSEMBLY** shall be forced to commit a crime or be persecuted or punished in any way for refusing to do so.
- The members of **MONDRAGON ASSEMBLY** shall be required to report suspicious facts and conduct related to criminal risks, with the guarantee that their confidentiality shall be maintained.
- **MONDRAGON ASSEMBLY** has carried out (and reviews it periodically and where necessary) an assessment of the criminal risks to which it is exposed, based on the activity it conducts, and in order to take the necessary actions to avoid their occurrence or to reduce to the maximum the probability of such occurrence.
- All aspects related to criminal compliance shall be managed (processes, procedures, supervision, reviews, assessments, reports, etc.) by the **Compliance Body**. The Governing Council (governing body) is committed to adopting, implementing, maintaining and continuously improving a criminal compliance system while promoting a culture of compliance at Mondragon Assembly. The **Governing Council** (governing body) grants authority and independence to the **Compliance Body** in the exercise of its functions.
- Failure to comply with the contents of the criminal laws and the complementary regulations that affect the organisation, as well as the requirements derived from this criminal compliance policy and the system that supports it, may result in penalties, if the violation is proven, in accordance with the provisions of the **Internal Regulations of the Cooperative**.
- **MONDRAGON ASSEMBLY is committed to complying with the legislation, the applicable regulations and other requirements to which the organisation subscribes**, in terms of quality, occupational health and safety, corporate social responsibility, the environment, and criminal compliance
- **MONDRAGON ASSEMBLY** always works for the **continuous improvement** of this GIS, for which it performs periodic audits.

The Management of MONDRAGON ASSEMBLY shall take into account this Policy in all activities and decisions, when allocating resources, information, design and operation of work processes and systems, introduction of new technologies, acquisition of equipment and facilities, design and supply of products and services, etc. Annually, in the definition of objectives to be met, the provisions of the Management Policy shall be taken into account, and the management's review of the system shall take into account the possible need for changes in the Management Policy.

The Policy is disseminated to the collective and is included in the welcome plans for new hires, as well as being available to interested parties.

Aretxabaleta, December the 22th, 2017



Signature: Luis M^a Imaz - DIRECTOR-GENERAL