



Corporate Social Responsibility

“ These policies are fundamental in business strategy, and affect our relationship with society, employees, customers, and suppliers ”

Corporate Social Responsibility - LCN

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1. INTRODUCTION

The LCN Board of Directors has approved this Corporate Social Responsibility Policy at its meeting on September 17, 2017 (hereinafter, “CSR Policy”).

The CSR policy unfolds the LCN mission. Through it, LCN defines the framework that governs the relationship with all the Company's stakeholders: employees, customers, shareholders, suppliers, communities, ... and defines the principles, based on which, the company will carry out its responsible behavior in accordance with its mission, vision and values and beyond what is established by law.

This policy marks the way for the company to incorporate actions aimed at achieving the **Sustainable Development Goals (SDG) and the 2030 Agenda approved by the United Nations in 2015.**



2. OBJECTIVES

The fundamental purpose of the **CSR policy** is to promote and inspire responsible and sustainable business action based on a rigorous commitment to compliance with legal obligations, ethics and transparency, respect for human rights, protection of the environment. environment and continuous and constructive dialogue with the company's stakeholders. **LCN's CSR Policy pursues the following objectives:**

- **Promote the development of CSR** towards a transversal philosophy of sustainable business. The CSR policy is incorporated into the company's strategy as an element of competitiveness, sustainability and responsibility.
- **Promote the creation of sustainable and shared value with all the company's stakeholders** and promote mutually beneficial relationships of trust.
- **Encourage the achievement of the strategic objectives** of the company by managing the risks and opportunities derived from the challenges and challenges present in the environment in which **LCN** carries out its activity.
- **Measure, prevent and reduce the negative impacts** of the company's activity on its social, natural and economic environment, and maximize the positive impacts in order to improve **LCN's** contribution to society.
- **Improve LCN's reputation.**

3. AREA OF APPLICATION

The CSR policy is applicable and mandatory for the entire **LCN** Company and binds all staff, regardless of the position and function they perform.



4. PRINCIPLES OF ACTION

1. Compliance with laws and ethical behavior
2. Respect for Human Rights
3. Dialogue with all stakeholders
4. Commitment to transparency

The CSR policy, aligned with **LCN's** mission and values, establishes the following principles for the achievement of its objectives:

1. Compliance with laws and ethical behavior:

Integrity is an essential value that should guide the behavior of the company. For this reason, **LCN** acts with integrity with respect to compliance with current legislation and internal regulations, and carries out its activity with the utmost respect for ethics and transparency.

LCN has a Code of Ethics and Conduct and has procedures to ensure legal compliance and promote this behavior in its employees, who, if necessary, it encourages to report irregular activities that may occur to the Ethics Committee.

2. Respect for Human Rights:

LCN is a company committed to respecting and defending Human Rights. The **LCN** Code of Ethics and Conduct prohibits all those practices that undermine the dignity of people and any type of discriminatory attitude, intimidation, harassment, abuse, violence or inappropriate treatment due to gender, ethnic origin, creed, religion, age, disability, political affinity, sexual orientation, nationality, citizenship, marital status or socioeconomic status. This principle is applicable both to employees and managers as well as to customers, suppliers, shareholders or any other stakeholder that is related to **LCN**.

3. Dialogue with all stakeholders:

LCN expresses the commitment to establish sufficient communication, participation and dialogue channels with stakeholders, identify relevant issues that interest them and provide a reliable and balanced response to these issues within the framework of the company's sustainability plans.

4. Commitment to transparency:

LCN considers it a priority to promote transparency as a means to create a climate of security and credibility with the various interest groups. Assuming transparency implies the following commitments:

- Measure the results of the business actions carried out and the impacts of the activity on society and the environment.
- Establish adequate communication channels.
- Manage that the information is accessible and understandable.
- Disseminate significant, rigorous and reliable information on the policies, activities and results of the company in accordance with the legal requirements that **LCN** has to comply with and those other additional ones that mark its status as a private company.
- Periodically publish information on the performance and results achieved by the sustainability plans.
- Development of the Sustainable Policy: **LCN** is a company that develops its business activity and its business model with the aim of creating value in a sustainable way for its employees, customers, suppliers, shareholders and territories in which it is present, and it does so taking into account the basic objectives of its mission.

A photograph of an office environment. In the foreground, a woman with long blonde hair is seen from the back, sitting at a desk and typing on a keyboard. Her desk is cluttered with various items: a purple water bottle, a blue water bottle, a pen holder with several pens, a pair of scissors, and some papers. In the background, a man in a blue floral shirt is also working at a computer. The office has wooden paneling on the walls and a window with blinds. The overall scene depicts a busy, professional workspace.

5. FRAMEWORK OF RELATIONSHIP WITH STAKEHOLDERS

1. Employees
2. Customers
3. Suppliers
4. Shareholders
5. Environment
6. Community

Dialogue and transparency are the bases of **LCN's** relationship with its Stakeholders, expressing the following commitments with them:

1. Employees

LCN is committed to working relationships based on the values of trust, commitment and professional excellence. For this reason, the company promotes:

- A people management policy based on respect for diversity, equal opportunities and non-discrimination in its various areas: hiring, job performance, training, development of the career path, promotion, compensation, occupational health, social benefits, conciliation, etc.
- The development of labor relations free of intimidating, hostile, offensive or inappropriate behavior towards the dignity of people.
- Professional excellence with policies that promote dialogue, teamwork, shared knowledge, training, initiative and professional merit.
- Remuneration policies that guarantee a decent salary in accordance with the responsibilities and functions performed, and recognize the contribution of employees to the results of the company.
- The well-being of people with occupational health and safety policies that integrate preventive action in the activity and allow employees to carry out their work without injuries, illnesses or accidents and in the best conditions.

- A culture of social commitment among employees through the implementation of corporate volunteer programs.

2. Customers

LCN places its clients at the center of its business activity. Therefore, it considers a priority to offer the client professional and personalized attention, a good value for money, an accessible and responsible environment and, above all, the confidence that they will be treated with respect and honesty. From here on, LCN commits to:

- Offer products and services that respond to customer needs.
- Deepen the transparency policies throughout the business cycle, committing to inform the client in a clear, honest, respectful and transparent way, of the characteristics of their products and services so that they can make their decisions with complete, relevant and truthful information.
- Provide an excellent quality service. For this, LCN has a Management Excellence System and works to annually maintain its certification by national and international quality management standards as a means to guarantee excellence, continuous service improvement and maximum customer satisfaction.
- Promote communication and permanent dialogue with customers and make the necessary channels available to them so that they can send their queries, opinions and complaints. The company will offer a

quick and individualized response and will implement the corresponding improvement measures.

- Innovate products and services adding greater value to the customer experience.
- Offer the highest levels of security for facilities, products and services and maximum accessibility.

3. Suppliers

LCN expresses its commitment to manage its supply chain in a responsible way, in the following terms:

- Guarantee that the company's internal purchasing regulations are complied with as a way to ensure that the contracting processes comply with the principles of publicity and competition, transparency, confidentiality, equality and non-discrimination.
- **LCN** will guarantee that contracts with suppliers are drawn up in accordance with the principles of legality, efficiency, quality, truthfulness and good faith, avoiding abusive actions, and will supervise strict compliance by suppliers with the contractual conditions and applicable regulations.
- Promote that the supply chain assumes responsible practices through the inclusion of social, labor and environmental clauses in the contracting specifications.

- Ensure that the supply chain complies with the ethical values of LCN and with the principles of this Policy, for which, LCN will transfer the relevant information to its suppliers and carry out the necessary checks.
- Promote a supplier relations policy based on the principles of ethics, transparency, collaboration and mutual trust that generates synergies and mutual benefit.


4. Shareholders

LCN works to correspond to the trust that the shareholder has placed in its managers and for the objective of creating sustainable value for the company. For this, the company undertakes to:

- Develop business activity efficiently and competitively.
- Offer clear, complete and truthful information on the financial and non-financial aspects of the business.

5. Environment

The protection of the environment is a strategic value for LCN, since it is one of the basic purposes of its mission and a common practice integrated into the company's activity. In accordance with this commitment, LCN defends the following principles that govern the company's actions with the environment:

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- Carry out industrial activity with strict environmental criteria in accordance with the company's Quality and Environment Policy and applicable environmental legislation.
 - Identify and minimize negative impacts on the natural environment through the company's Management Excellence System, reinforce its operation and work to maintain its certification through national and international environmental management standards.
 - Preservation of the environment through improvement actions and the development of products and services aligned with the protection and sustainability of the environment.
 - Contribute to the environmental sustainability of the environment through the fight against climate change, the sustainable use of natural and energy resources, the protection of biodiversity, the control of environmental risks, the adequate treatment of the waste generated and the dissemination of this commitment among our stakeholders.

6. Community

LCN plays a leading role in economic, social and cultural life in the environments where it carries out its activity that generates collective benefits, social development and an improvement in people's quality of life. Along these lines, LCN will continue to work on the following terms:

- Contribute to the local economic revitalization through its own activity and through support for the promotion of the territories and their resources.
- Contribute to preserve the natural environment of the areas in which the company operates. To do this, LCN will continue to strengthen its ties with local communities, foster relationships with stakeholders closest to its mission and basic values, and participate in the generation of responsible alliances with them in order to create shared value.



6. MONITORING OF THE CSR POLICY AND ACTIVITY

The objectives and values of the **CSR Policy** will be subject to permanent review and improvement by the **LCN** Management. These values constitute, on the other hand, the framework for the development of plans, measures, projects, instruments and management systems aimed at generating economic, social and environmental sustainability for the company and its stakeholders.

The approval, execution, monitoring and supervision of this Policy will be carried out in accordance with the governance structure of the company in the following terms:

- ✓ The approval of the CSR Policy corresponds to the LCN Board of Directors. The Board of Directors will receive the annual reports that are prepared on the application and results of this Policy.
- ✓ The Management Committee will approve the strategy and corporate social responsibility plans, will supervise the company's performance in relation to this matter and will submit to the Board the proposals it deems appropriate.
- ✓ The Corporate Development Department is in charge of implementing the Corporate Social Responsibility strategy approved by the Management Committee and executing the action plans for the development of the strategy. To carry out this function, it will carry out the monitoring and control of the management carried out, for which it will establish the most appropriate performance indicators.

7. COMUNICACIÓN DE LA POLÍTICA DE RSC

This policy will be disseminated among all the people who work in and for **LCN** and will be available to the public on the **LCN** corporate website and Intranet..

CSR activities are reflected in the annual sustainability report that will be published on the web..





 **LCN**