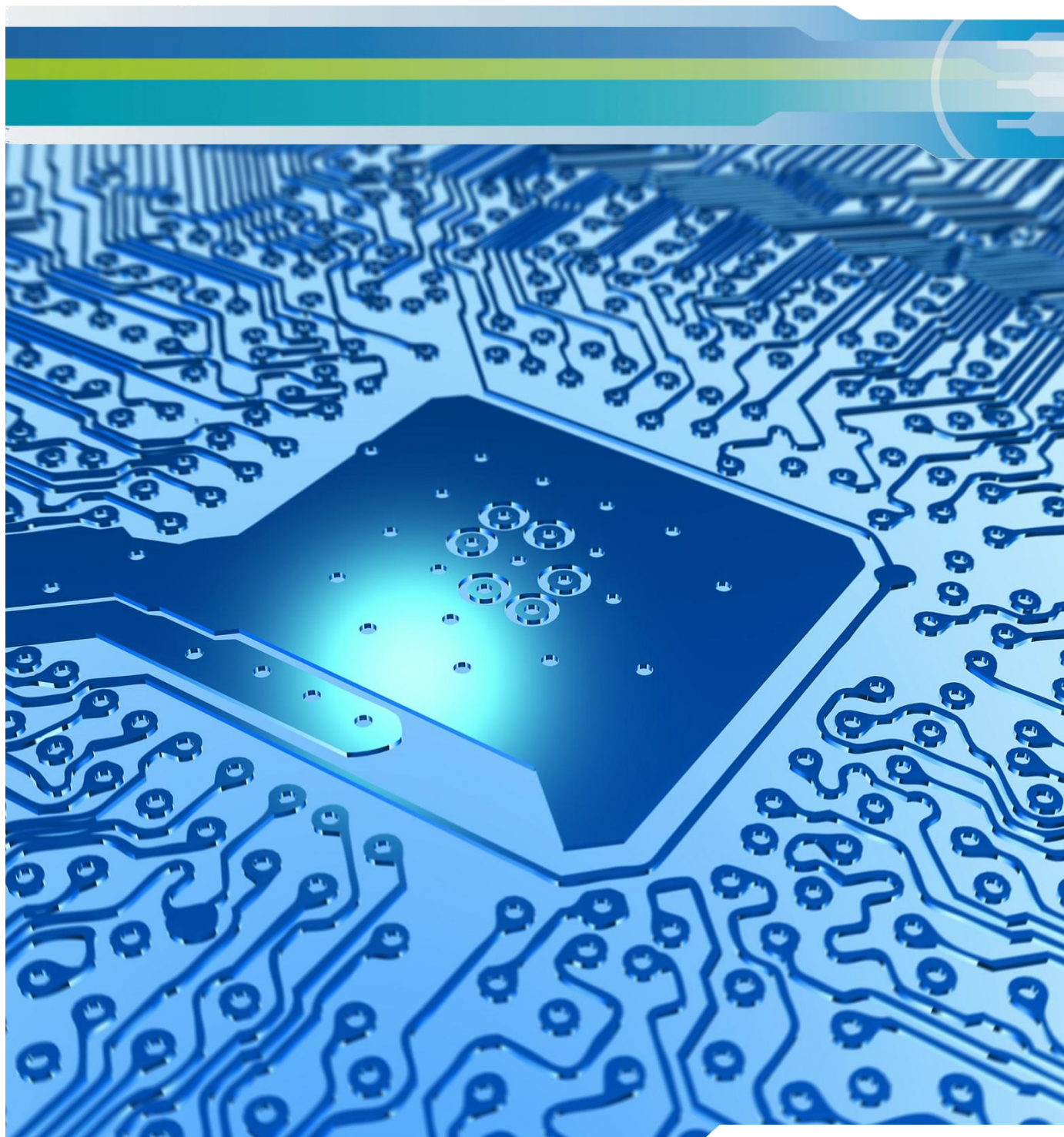
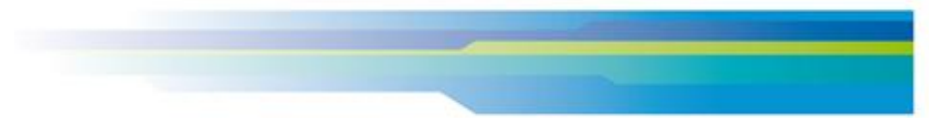


EUROTECH COMMUNICATION ON PROGRESS TO UN GLOBAL COMPACT

Reporting Period : February 2011- April 2012







Index

Statement from Eurotech CEO	5
1. Strategic Management of Sustainability	7
2. Products Development and Commercialization	9
3. Business and Operations Management	12
4. Infrastructures, Energy, Water, Waste Management	14
5. Employees Management	15
6. Sustainability Culture Development	17
7. Community Engagement	18
8. Governance	19
9. Research Activity	20
10. Supporting the Millennium Development Goals	21
THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT	23
THE MILLENNIUM DEVELOPMENT GOALS	25





Statement from Eurotech CEO

I am glad to present Eurotech's COP 2012 to the UN Global Compact .

Eurotech has developed its business on its core competence in low-power miniaturized computers, and is a leader in developing and producing the building blocks of the Pervasive Computing Infrastructure: from boards, to systems, to ready to use products, to device data management via cloud solutions, to HPCs, Eurotech products contribute to reducing the need and to optimizing the use of energy, space and materials in industrial and service activities.

We joined the UN Global Compact in 2009, within our path of integration of social and environmental sustainability into the strategy, the culture and the daily operating of the Company.

At the core of its business, Eurotech is natively supporting environmental sustainability. In fact, the ubiquitous and pervasive use of computers has a fundamental role in making our Planet greener: if we want to make infrastructures and tools greener, we have to make them smarter, which means maximizing their output efficiency for minimizing their need of input resources. For doing so, we have to rely on computing technology for optimizing their operational processes and functioning.

The more computers are pervading our infrastructures and tools, the more we will succeed in making them environmentally sustainable.

Throughout the years, Eurotech fair and ethical acting towards all our stakeholders has been assured by our Code of Ethics and the continuous monitoring activity of our auditing and counseling bodies: the Remuneration Committee, the Internal Control Committee, the Related Parties Committee and the Supervisory Body.

Eurotech has always promoted equal opportunities and diversity at work, which, together with continuous development and enhancement of our employees capabilities, has always been essential for our ability of creating value and a cornerstone of our competitive advantage. As well, Eurotech guarantees high standards for health preservation and security of its employees.

As a member of the community, we have always contributed to social development by supporting cultural, educational, sporting activities in the communities we are acting in.



All this ultimately means that Eurotech business has always been run in a sustainable way.

We fully support the Universal Declaration of Human Rights, The International Labour Organization's Declaration on Fundamental Principles and Rights at Work, The Rio Declaration on Environment and Development, The United Nations Convention Against Corruption and the UN Millennium Development Goals.

During 2011 we have continued our work in integrating the Principles of the UN Global Compact in our business activity and in advancing them within our sphere of influence, and we renew our intentions and commitment for the future.

We have the ethical and cultural cornerstones, together with the strategic vision and long term plans, for a very concrete engagement in fostering social and environmental sustainability. We will continue working towards this in the coming years, continuously improving our operating and proposing ourselves as a leader of an innovative approach to sustainability management which benefits Eurotech, the communities we are working in, and the Planet which hosts us.

My Best Regards,

Signed by

Roberto Siagri

Eurotech President & CEO





1. Strategic Management of Sustainability

We consider sustainability not an activity parallel to business management, but a commitment embedded in our identity, which acts as inspiration for business innovation and management optimization, in a virtuous circle of effects on the society, on the environment, on the strategy and business development of the company, and on its financial performance.

Therefore, during 2011 we worked for further integrating social and environmental sustainability into our strategy, business management and operating activity. During this process, we counted on the help and collaboration of 'The Natural Step'.

Starting from our core business activity, we defined in a more explicit way the Sustainability Mission of the Company:

Eurotech Sustainability Mission

By enabling smarter infrastructure and tools through our pervasive computing solutions and by acting according to social and environmental sustainability

- We allow our clients to run their business effectively, efficiently and sustainably
- We contribute to mankind sustainable footprint

We therefore conducted an analysis of our operating activity, identifying the main 'sustainability commitments' which will act as pathfinders for our future sustainability management choices:

Eurotech Sustainability Commitments

- Minimizing waste of any kind produced by our acting
- Maximizing use of renewable energy
- Assuring a positive impact on society

We have therefore focused on identifying and implementing a number projects for improving our sustainability performance along the three directions/commitments above identified.



In the following sections you can find the results of our acting along the different directions

- Products Development and Commercialization
- Business and Operations Management
- Infrastructures, Energy, Water, Waste Management
- Employees Management
- Sustainability Culture Development
- Community Engagement
- Governance
- Research Activity



2. Products Development and Commercialization

At the core of its business, Eurotech is natively supporting environmental sustainability.

From moving bits instead of atoms, to enabling optimized resource management through Information Technology, to harvesting energy from the environment, to allowing capture and management of data via Cloud, to minimizing the use of resources during their production and use, Eurotech products - boards, systems, 'ready-to-use' devices, data management via Cloud solutions, HPCs – make infrastructures and tools smarter, maximizing their output efficiency for minimizing their need of input resources and reduce the need of energy and space, materials in industrial activities, making the Plant greener.

Acting in this direction Eurotech is paving the way to contribute in the near future to the creation of so called Smart Cities.

Moreover, we are proud suppliers of the HW building blocks of products which allow people with severe physical disabilities to express themselves, and which facilitate their participation to the community.


Within the product development and successful commercialization carried on during 2011, we like to recall here:

Product Development of Solutions for Device Data Management via the Cloud.

Cloud Computing Technology, enabling non-local data management via centralized and optimized computing resources, allows dynamic usage of IT capacity according to real-time needs of computational power, and full scalability of IT infrastructure - thus minimizing upfront IT deployment and dead capacity - and maximizes the efficiency in IT projects deployment.

Eurotech has since the beginning understood the business potential of this technological innovation and its significant impact in minimizing energy consumption, IT resources consumption and material investment.

Through our EDC SW Platform and DaaS (Device as a Service) Offer, we can provide a complete and affordable solution for device data management via Cloud. Our solution allows collecting data from any



device on the field and sending them in real time via Cloud to any Business Application in a computer in any location. This way a company is able to:

- Collect field data in real-time from any device on the field: from operational data, to energy consumption data, to environmental data...
- Safely store them and provide data access in real-time to any Business Application
- Apply business rules on the collected data in real time
- Remotely control the activity of any device on the field from a local computer

This without having to display the costly and energy consuming infrastructure for hosting and managing the application.

Further Development of High Performace Computers Technology

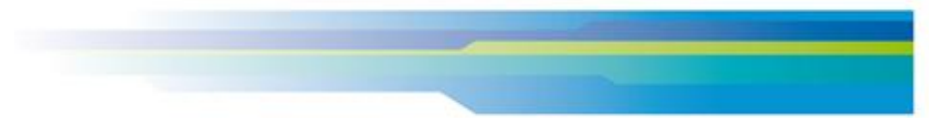
With a energy reduction of 60% compared to standard HPCs due to water cooling technology, the Aurora HPCs represent a technological break-through within their product line.

During 2011 we have further improved the environmental performance of these products:

- The adoption of Intel Sandy Bridge technology in our HPCs with the adoption of the new processors Xeon E5 2600 series, allow our Supercomputer Aurora to become greener, in terms of performance for absorbed electrical power – from 500 Mflops/W to 900 Mflops/W (80% more efficient) - and in terms of density – from 28 Tflops/m² to 66 Tflops/m² (135% more dense) – this translating in energy and space savings
- The considerable improvement in the system for failures prevention (previewed a drop of 30% in failures), translating in considerably less material consumption and waste
- Further improvement of the water cooling system

Computing Platform for Dynavox Xpress Unit

During 2011 Eurotech continued its collaboration with Dynavox, providing the computing platform for the DynaVox Xpress unit, a device that allows people who cannot speak to communicate using a simple



interface based on images. The Xpress unit is light, so a child affected by autism can use it throughout a school day to speak with teachers and classmates, and small, so an adult who may have had a stroke can use it without drawing undue attention to him- or herself.



3. Business and Operations Management

Eurotech Baseline Assessment

In July 2011, starting from the sustainability mission and commitments we have adopted, we conducted an Baseline Assessment of Eurotech business and operations acting, which confirmed us our positive positioning in terms of our sustainability performance and management practices within the sector we are working.

Rationalization of Eurotech Database Components Database

During 2011 we have worked towards the harmonization of the different Eurotech components databases. This project, allowing the different subsidiaries of the Group to access on a global scale the informations of the Eurotech components availability is:

in the short-medium term

- Allowing the pooling of component purchasing, reducing the number of deliveries and transportation
- Avoiding redundant purchasing of component, through their internal sourcing intra-company, lowering the volume of and waste material moved by Eurotech on a global scale
- Through the set up of standardized components library to be used already in design phase, reducing the number of components variants and therefor the volume of material moved

in the long run

- Allowing the standardization of component, enabling Eurotech to identify global criteria for the choice of its products components, and therefore the implementation of global policies in the choice of components



Adoption of Web Conferencing Tool

We have adopted in all our subsidiaries internet web conference technology allowing us to effectively organize clients and internal meetings, webinars, and trainings on the web, thus reducing time, and energy consumption of travelling.

Rigorous Compliance with Normatives and main Certifications

Eurotech adopts globally the highest certification and normative standards. We are certified to be fully compliant with

- ISO 9001
- ISO 14001
- ISO 27001 (Eurotech SPA and Advanet, Eurotech subsidiary in Japan)

Selling our products on a global basis, our Subsidiaries are fully compliant with the normatives

- ROHS (except few cases where use of Lead is needed and specifically required by Customer)
- WEEE

Sustainable Value Chain

Sourcing our components globally, we cannot restrict ourselves to our immediate sphere of influence when considering social and environmental sustainability. While optimizing our acting in the immediate sphere of responsibility, we have also to look upstream and downstream in order to foster a systemic improvement of the sustainability performance of the whole value chain we are participating in. In particular, sourcing our components globally, we deal with countries with uneven legislation and policies towards human rights, environment, labour rights so that in many occasions it is our responsibility to set management policies with higher standards than the local ones.

- We are presently discussing with institutions active in sustainability management and operational audit a partnership for defining the criteria, the implementing frame and the evaluation methodology of the sustainability of our supply chain



4. Infrastructures, Energy, Water, Waste Management

Our infrastructures are conceived for minimizing the environmental impact of our activities.

In terms of energy management, in most of our subsidiaries we have adopted the most advanced conditioning system with high efficiency, we have laid the most advanced 'energy-saving' led-lighting system, we have thermal isolation of buildings, we have partial use of alternative energy in our energy sourcing, we encourage employees to display a careful use of energy.

In terms of waste management, besides fully complying with environmental norms of electronic and electric waste disposal, we are carrying on material recycling and differentiated waste disposal.

As far as production of toxic substances, our products are fully Pb-free or Lead-free, except few cases where use of Lead is needed and specifically required by customer .

While our activity is not intensive in terms of water-consumption, we encourage employees to display a careful use of water.

As far as it concerns packaging, during these years we are working for continuous improvement in reducing the quantity of packaging material and for adopting smarter and recyclable packaging.



5. Employees Management

In our Code of Ethics, Eurotech full respect of labour rights and universally accepted rules of employment legislation is declared and detailed. Employees are requested to report to the company any infringement of our Code of Ethics.

Eurotech rejects any form of forced labour, child labour and discrimination of any kind.

Eurotech support diversity in the work environment, guarantees equal employment opportunities, fair treatment, promotions on merit, freedom to join unions and to conduct collective negotiations.

Eurotech promotes the continuous development and enhancement of its employees skills and knowledge, which throughout the years has always been an essential component of our ability of value creation and a cornerstone of our competitive advantage. Moreover, through our Intranet, we make sure that our employees can access the rich source of knowledge and inspiration that its global and diverse workforce represent.

As a global employer, Eurotech guarantees high standards for health preservation and security of its personnel. In all its subsidiaries, depending on the specific activity, safety management measures are taken in strict observance of local legislation and employees trainings on safety legislation and management are regularly held.

Within the specific initiatives of 2011:

- *Employees Opinions Global Survey*: Corporate HR has conducted face-to-face interviews to a large set of Eurotech employees (about one out of three) in all our subsidiaries in order to have a detailed first-hand knowledge of employees feelings and thinking about Eurotech, its strategy, performance, operational integration working culture and environment, relationship with peers and management, etc. The reports of the interviews initiate management action on potential issues signaled by the employees
- *Stress Audit*: Starting from Eurotech Italy, we are carrying on an 'audit' on the level of Stress of our employees. In Italy the audit was carried out with the collaboration of 'ASA Agenzia Sanità e Ambiente' and focused on measuring the level of Mental Stress, Ability of coping with external and internal issues, Mental Strain, Mental fatigue



While the level of stress results higher in some areas than others due to the specific exposure and activity (e.g. sales) or due to specific project presently undertaken (e.g. IT), there has been no report of any psico-social distress requiring further investigation.



6. Sustainability Culture Development

Starting from our Italian Subsidiary, we have initiated a program for developing and fostering sustainability culture within our Group.

During 2011, together with 'The Natural Step', we have carried on allstaff workshops and meetings for developing together with our employees shared sustainability values, vision and commitments for Eurotech based on the The Natural Step Framework. These trainings have been part of the path which has guided us to the definition of Eurotech Sustainability Mission and Commitments mentioned in Section 1 and have been the initiators of a number of sustainability related projects mentioned in this report.

We are now disseminating within the different Eurotech subsidiaries the sustainability mission and commitments Eurotech has engaged in and the projects we have been working on, and we count to set up a sustainability working group in each subsidiary in order to initiate further locally sustainability-related projects within the path indicated by Eurotech commitments.

During 2011, we have also engaged in dissemination activities: we have participated in various seminars for sharing and disseminating our experience of sustainability management. We have also become member of the Italian association "Animaimpresa" promoting sustainability at local level.

Eurotech is also collaborating with Axelera, the Italian association supporting the work of Singularity University: Mr. Siagri, Eurotech CEO, is member of the committee evaluating and selecting the applications for a scholarship granting participation to the Graduate Studies Program 2012 (GSP12) of Singularity University.



7. Community Involvement

As a member of the communities where we are acting in, we have a tradition of supporting cultural, educational, and sporting activities of positive social relevance to the community.

Throughout 2011 Eurotech has sponsored such activities for a total amount of 30.700 Euro. Moreover we have started in Italy a program donating to Schools and Municipalities IT equipment which we do not use anymore due to the heavy workload we pose on the machine, but is in excellent conditions and have an expected life of minimum 3 years under less demanding conditions.

Besides valid sponsoring initiatives and donations, we continued engaging in fruitful dialogue with Universities, Research Centres, local Institutions, Industrial Initiatives and Associations, Schools, to link our contribution to society to our core activity and skills. In particular:

- Collaborating with Universities and Research Centres in joint research projects aiming at fostering technology development and adoption
- Collaborating with University and Training Institutions in teaching tenures by Eurotech management aiming at promoting technology education and contact between the working environment and education institutions
- Collaborating with Industrial Associations and local Institutions in seminars and conferences aiming at transferring best management practice, at stimulating and supporting entrepreneurship, stimulating and supporting technological innovation



8. Governance

Eurotech has adopted since years a *Code of Ethics* which explicitly condemns any form of bribery or corruption in business management. Employees are requested to report to the company any case of actual or potential corruption.

Moreover, the risk of corruption and bribery is prevented by the activity of the following bodies:

The Internal Control Committee, in charge of monitoring Eurotech exposure to risk in the different business management areas. During 2011 the Internal Control Committee has not reported any anomaly or exposure to risk of corruption and bribery.

The Supervisory Body, in charge of monitoring Eurotech procedures and activities in order to avoid risk of mismanagement or law infringements in the areas of Relations with the Public Administration, Working Safety, and Intellectual Property. The Supervisory Body conducts every year audits on specific areas of our business activities.

No anomalies have been reported by the audits.

The *Related Parties Committee* is in charge of monitoring business interactions between Eurotech and Eurotech managers, administrators or parties and companies related to them, in order to make sure these business interactions are not happening at conditions and value out of the market benchmarks. During 2011 no anomalies in business interactions were reported by the committee.



9. Research Activity

During 2011 our research centre ETH Lab worked towards the completion of the research initiatives undertaken in the previous years.

- *Energy Scavenging Technology*: within the framework of the EU project END, the investigation concerning energy-autonomous systems continued. The analysis led to the definition of the project demonstrator and the design (in collaboration with University of Bologna) of energy transduction electro-mechanical circuits able to extract power from light and vibration sources simultaneously
- *Ontology-Based Smart Environments*: again in the EU framework, the project Sofia has brought its final deliverables concerning the set-up and operation of a so called smart-environment where devices and systems are able to expose IT services at the advantage of the surrounding peers

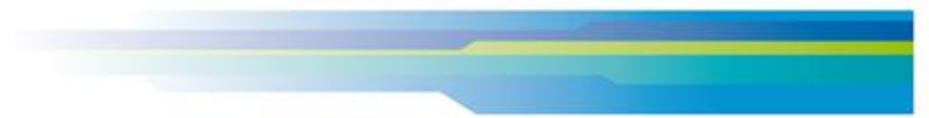
In particular, a demonstrator showing the peculiarities and the advantages of the availability of smart-environments in the field of building maintenance has been realized in cooperation with the University of Bologna.

Moreover, new activities has been put in place, placing Eurotech in the middle of the mainstream of up-to-date IT technologies positively impacting sustainability.

Eurotech, with the contribution of ETH Lab, has undertaken the path of completing the end-to-end offer to its customers, and to a larger set of potential users, from devices to data consumption.

The activities are at the moment sharply focused towards the realization of an innovative device-cloud/infrastructure that will allow the final users - those who are interested in extrapolating information of interest among the humongous harvest of data forecasted for the Internet of Things era - to easily set-up an IT framework, from field devices to cloud, make real-time elaboration on actual sensor/field data, store the very same data on scalable storage platforms, and efficiently analyze them, largely independently on their amount, in view of the potentially useful smaller sets that are concealed within the plethora of unstructured data.

This perspective, known today as BigData, has been forecasted as the next challenge for IT technology.



10. Supporting the UN Millennium Development Goals

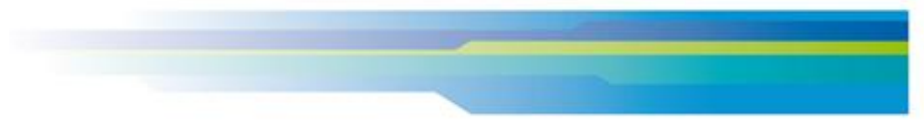
Eurotech is fully supporting the Millennium Development Goals.

We think technology has an impressive potential in contributing to the fulfillment of the Millennium Development Goals, and we feel the responsibility of making this belief a tangible reality.

In the last decade it has become evident how the development and adoption of innovative technology, together with the implementation of a market-driven business model addressing the needs of the 'Bottom of The Pyramid', can make a difference in allowing the poorest layers of society to access energy, credit, medical care, material resources, in fighting un-equalities in economic eco-systems, in fostering education etc.

During 2011 Eurotech has identified our wearable computers and our SW solution for Device Data Management via Cloud as very good candidates for helping institutions serving the BoP in making their operations more efficient and effective. We are presently discussing with some of these institutions their potential adoption of Eurotech Products.





THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Businesses should make sure that they are not complicit in human rights abuses

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour

Principle 5: Businesses should uphold the effective abolition of child labour

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

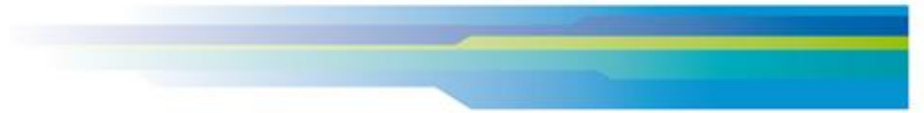
Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery





THE MILLENNIUM DEVELOPMENT GOALS

Goal 1: Eradicate extreme poverty and hunger

Goal 2: Achieve universal primary education

Goal 3: Promote gender equality and empower women

Goal 4: Reduce child mortality rate

Goal 5: Improve maternal health

Goal 6: Combat HIV/AIDS, malaria, and other diseases

Goal 7: Ensure environmental sustainability

Goal 8: Develop a global partnership for development

