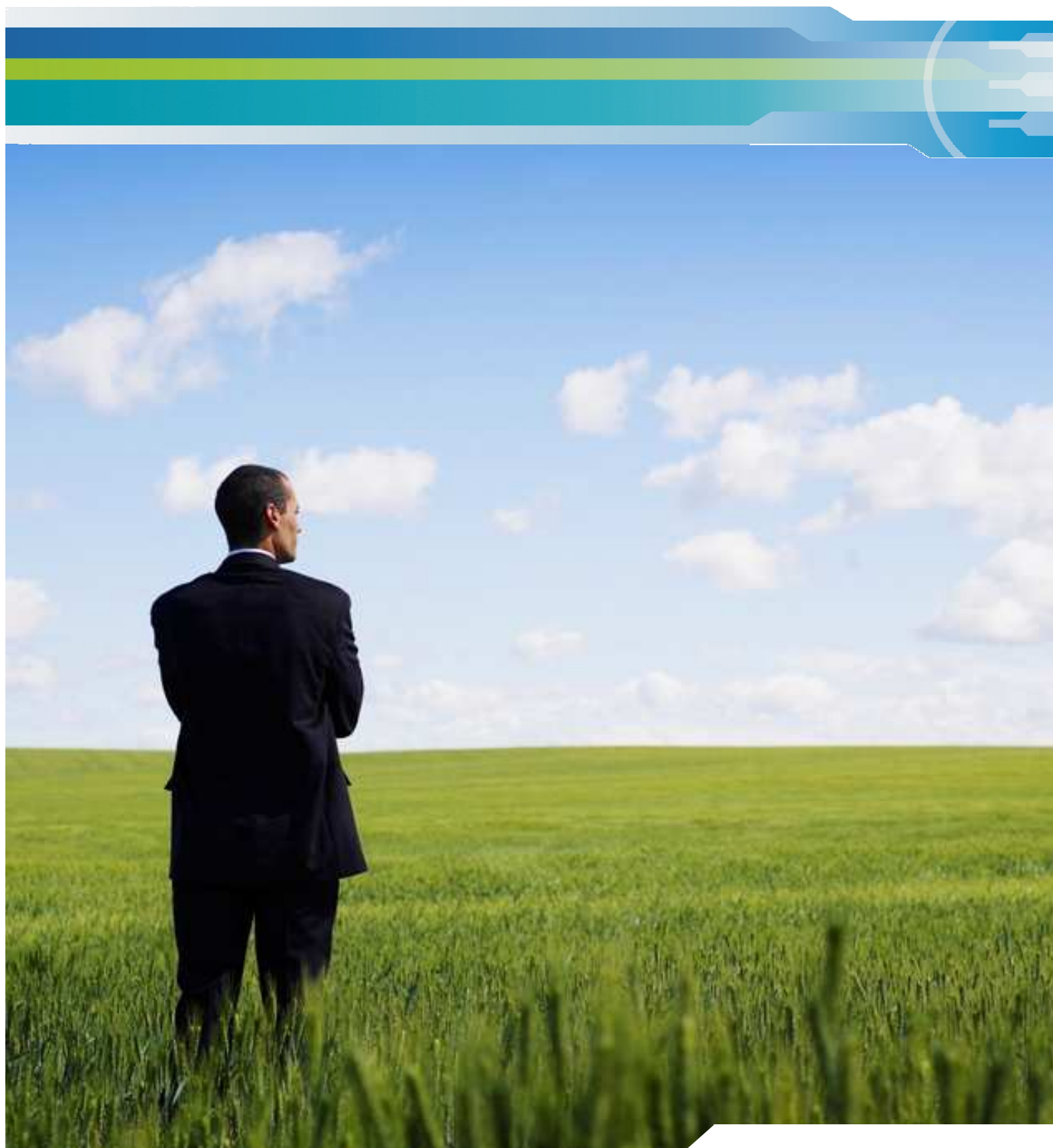


EUROTECH UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

Reporting Period: May 2012- April 2013







Index

Statement from Eurotech CEO	5
1. Strategic Management of Sustainability	7
2. Products Development and Commercialization	8
3. Business and Operations Management	11
4. Infrastructures, Energy, Water, Waste Management	12
5. Employees Management	13
6. Sustainability Culture Development	14
7. Community Engagement	14
8. Governance	15
9. Supporting the Millennium Development Goals	16
10. ANNEXES	17





Statement from Eurotech CEO

I am pleased to present Eurotech's COP 2013 to the UN Global Compact.

Eurotech has always believed on the capability of digital technologies 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, because we felt it was the right complement to our path of integration of social and environmental sustainability into our strategy and into the daily operating of our 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.

Since many years now, Eurotech fair 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.

Our objective has always been to combine competitiveness and honesty. In pursuing growth, innovation and business results, we also dedicate the utmost attention to promoting quality of life and employment standards for our people. Our management encourages creativity and innovation and adopts operating approaches based on the ethics of relations. We invest in people, in enhancement of their skills and capabilities, and in their continuous training and development. We cultivate and champion creation of a work environment based on reciprocal respect and trust and on the safeguarding of health and safety in the workplace. We believe our tasks include that of assuring all workers the same job and professional opportunities, and equitable treatment based on merit. We recognise and encourage development of each employee's ability together with teamwork, so that the energy and creativity of individuals is fully expressed in achievement of shared, group-wide successes.

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.



We keep providing full support to 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 2012 we have continued our work towards the sustainable development of our Company, and this meant also integrating the Principles of the UN Global Compact in our business activity and in advancing them within our sphere of influence. Going forward, we renew our commitment to such an important Corporate Citizenship initiative.

As we create our path towards the future, in our work we encapsulate a natural attention to the social and environmental dimensions: we imagine how to use digital technology to make systems smarter, infrastructures greener and key services available for a wider group of people; in other words, to create a better world.

My Best Regards,

Signed by

Roberto Siagri

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.

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

From this mission we derived also three main Sustainability Commitments

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

Since 2011 we have 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 progress 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



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.

Within the product development and successful commercialization carried on during 2012, we like to recall here:

Cloud-ready devices for environmental monitoring.

Eurotech is offering to Institutions the devices and the services of data management via cloud for capturing and managing environmental and pollution data (electromagnetic noise, acoustical noise, PM10, CO2, CO, NO2, O3, VOC, radiation alpha, beta, gamma). This without the need of laying down any IT infrastructure.

Our solution allows continuous monitoring of environmental data, guarantees real-time data accessibility, and enables instructing real-time system reaction from anywhere via web. The data can be exported via cloud for integration and elaboration with any Business Application.

The lay out of the network is scalable, following the evolving needs of the data management project.

Everyware Cloud™ 2.0 enables to prevent extensive injury to athletes due to head contact

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.

By our EDC SW technology 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 operational, to energy consumption, to environmental data etc.
- Accessing the data in real-time with any business application
- 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.

In 2012 we launched Everyware Cloud 2.0, the new updated version of our platform providing a foundation to deliver and manage M2M data within the business enterprise. Everyware Cloud 2.0 is conceived to simplify real smart systems innovation by combining device communication infrastructure with cloud services. Thanks to the new advanced features of our platform, Sensuss – an innovative startup company which aims to prevent extensive injury to athletes due to head contact – was able to translate into a practical solution their mission to “enhance lives through knowledge”: their products detect impact levels, environmental, and personal vital signs within a body network and thanks to our Everyware Cloud platform they are able to provide critical information to parents, coaches and athletes in real time, while also storing that crucial information in the Cloud, either private or public, for later use by the medical community.

Each year, millions of traumatic brain injuries are documented by medical professionals. The majority of these events are considered mild traumatic brain injuries, or a MTBI. Many MTBI's go undetected because the symptoms that present in patients can vary tremendously from one case to another. Studies have led medical professionals to believe that repeated trauma and mild brain injuries may lead to severe health consequences that are debilitating and often fatal. With our device data management platform via cloud Eurotech is supporting Sensuss to move the trend from a reactive approach to a proactive strategy. The goal is to provide a technology that will facilitate the protection of all athletes in helmeted sports and other industries and that will create a paradigm shift in the treatment of head trauma.



Record on Green High Performance Computers Technology

On January 31st, 2013 we announced the installation in CINECA of the Eurora supercomputer, which ranks as the world's most energy efficient high-performance computing system based on measurements taken following the Green500 guidelines.

Eurora serves as the base technology for the development of the PRACE 2IP co-funded prototype, a project with the same name "Eurora" led by the CINECA supercomputing center in Italy. CINECA will deploy the Eurora prototype to advance research and discovery in the fields of computational sciences, including fundamental constituents of matter, condensed matter, astrophysics, the life sciences, and Earth sciences.

The Eurora supercomputer is accelerated by NVIDIA® Tesla® K20 GPU accelerators and it provides the base for the commercial Eurotech Aurora Tigon, expanding the Eurotech Aurora supercomputer product line to include new energy-efficient, high-performance GPU-accelerated systems.

The combination of the energy efficient Eurotech design and the high-performance efficiency of the NVIDIA accelerators allowed the engineering of the world's most efficient supercomputer. Measures taken on the Eurora system, which is equipped with two Intel Xeon E5-2687W CPUs and two NVIDIA K20 accelerators per node, delivered 3,150 megaflops per watt, which is considerably higher than the top system on the most recent Green500 list of the world's most efficient supercomputers.

This record result is enabled by the energy efficiency and performance driven Eurotech design leveraging the NVIDIA Tesla K20 accelerators. In addition to that, Eurotech's Aurora Hot Water Cooling technology allows "free cooling", air conditioning avoidance, in warm climates like the Italian one, reaching record low data center PUE values (1.05), while providing complete flexibility on data center location". The Eurora and the Aurora Tigon systems not only benefit from system energy efficiency, but also make the entire data center more efficient and more compact, providing energy and space savings that can reduce TCO by an average of 30%-50%, depending on data center location, structure and industry. Compared to a conventional air-cooled system, Aurora HPCs enable data centers to save up to 50 percent on energy bills, while reducing space occupancy by 5 times due to higher density system configurations.



3. Business and Operations Management

Eurotech Baseline Assessment

In July 2011, starting from the sustainability mission and commitments we have adopted, we conducted a 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.

Starting from this Baseline Assessment, we have started to address some areas of improvement, typically working on the specific processes involved in order to create better practices. For us this is a continuous improvement activity that alternates the establishment of specific new projects and small incremental steps on the existing ones.

Rationalization of Eurotech components database

During 2011 we started worked towards the harmonization of the different Eurotech components databases, activating the project of creation of a shared repository. Now the first version of this database is ready and in use.

We have created an inter-company team to support the project and we have one person in charge of coordinating efforts, defining common policies and measuring results in the mid-long term.

Travels' carbon footprint reduction

During 2011 we 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. Since then, we continue to use and exploit the advantages of web conferences, and on top of this in 2012 Eurotech has also been encouraging to limit travels to the minimum, also reducing the number of attendees to the same meeting/event to the rock bottom and having additional participants available on demand through “virtual presence” tools like web conferencing ones.



Rigorous compliance with normatives and main certifications

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

- ISO 9001
- ISO 14001
- ISO 27001
- ROHS
- REACH
- *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, we are in the process of defining the criteria and the evaluation methodology of the sustainability of our suppliers.


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.

As far as production of toxic substances, our products are fully Rhos- Pb free or Lead free- compliant.



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 product deliveries, in the last period of time we have been working for continuous improvement in packaging and for adopting smarter policies for our shipments in order to optimize the use of express couriers and hence reduce our impact on their carbon footprint. One important improvement project now active is related to this last issue.

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.



6. Sustainability Culture Development

Focusing on our Italian Subsidiary first, with the aim to “learn and roll-out”, we are carrying on a program for developing and fostering sustainability culture within our Group.

After a bootstrap in 2011 with The Natural Step (www.thenaturalstep.org) we have now taken the lead of the program and step by step we are identifying the core elements of the sustainability culture we want to cultivate and spread into the whole Group.

We keep sharing information within the different Eurotech subsidiaries about the sustainability mission and commitments Eurotech has engaged in and the projects we are 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.

We are member of the Italian association “Animaimpresa” promoting sustainability at local level. We would also like to engage in some dissemination activities: we would like to participate in some seminars for sharing and disseminating our experience of sustainability management.

Eurotech is also collaborating with Axelera, the Italian association supporting the work of Singularity University: Mr. Siagri, Eurotech CEO, is founding member of Axelera and actively involved in its initiatives.

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 2012 Eurotech has sponsored such activities for a total amount of 25 thousand euro. In particular we helped a local soccer association, Bujese Calcio Leonardo, to organize a tournament with all soccer teams of children between 11 and 13 years old of the Friuli Venezia Giulia region, in order to promote the spirit of belonging to a community and sharing a common interest, together with fair play



and team building. Thanks to our support, this local association was also able to renew its sports facilities that are used by over 400 children for competitive and non-competitive activities.

Besides valid sponsoring initiatives and donations, we continued engaging in fruitful dialogue with Universities, Research Centers, 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 Centers 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 2012 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. During 2012 the Supervisory Body has not reported any anomaly in the areas under monitoring.



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 2012 no anomalies in business interactions were reported by the committee.

9. 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 2012 Eurotech has continued its investments in creating solutions that are cloud ready and hence can be used as-a-service, a model that removes the obstacle of big upfront spending for new IT projects aimed at making operating and logistics processes more efficient and effective. In other words, our aim is to be able to offer solutions that can pay themselves, i.e. sustainable solutions whose monthly cost can be covered by the returns from the use of the solution itself.



10. ANNEXES



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