



COMMUNICATION ON PROGRESS FOR U. N. GLOBAL COMPACT

ISSUED IN DECEMBER 2013

Statement of the C.E.O.

I'm pleased to confirm DECO INDUSTRIE want to go on to support the ten principles of the United Nations Global compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Actions relating to this position were integrated in our Strategic plan and were been developed together with the day by day activities: some results was obtained by project and defined goals, other come out from our nature of Cooperative Company and from our approach to the business aimed to produce values for next generation and to invest on people. DECO INDUSTRIE gives to the people employees: opportunities, training to acquire knowledge, a dignified job, benefit for life and family when it's possible.

The present report describes actions and results registered in the 2012 year. The result for 2013 will be elaborating in April 2014.

Most of the content of the COP are already reported to the share-holder and to the main stake-holder during specific meetings. The next edition of the COP could be used as instruments of direct communication.

Thank for the attention .

Best regards

Giorgio DAL PRATO

Chief Executive Officer

Intervento dell'Amministratore Delegato

Sono lieto di confermare la volontà di DECO INDUSTRIE di sostenere i 10 principi dell'UNGC negli ambiti dei Diritti Umani, Diritti del lavoro, Ambiente e anticorruzione.

Le azioni svolte correlate a questa posizione sono state integrate nel nostro piano strategico e sono state sviluppate nel quotidiano: alcuni risultati sono stati ottenuti sono stati cercati tramite progetti e altri derivano dalla nostra natura di azienda Cooperativa e dal nostro approccio all'impresa, orientato a produrre valore per le generazioni future e ad investire nelle persone. Le persone che lavorano per DECO INDUSTRIE ricevono opportunità, formazione per acquisire conoscenza, un lavoro dignitoso, benefit per la vita e la famiglia quando è possibile.

Il presente report descrive azioni e risultati registrati nell'anno 2012. Il rendiconto per il 2013 sarà elaborato entro aprile del 2014.

Molti dei contenuti di questo documento sono già stati presentati agli azionisti e ai principali portatori di interessi in incontri e assemblee.

La prossima edizione potrà essere utilizzata come strumento di comunicazione diretta.

Grazie per l'attenzione

Saluti

Giorgio Dal Prato

Amministratore Delegato

INTRODUCTION

DECO INDUSTRIE, founded in 1951, is a FMCG producer. DECO INDUSTRIE manufactures products for leading brands GDO and DO and for major industrial clients, as well as under its own brands: SCALA, covering the detergent ranges, and PINETA and LORIANA for the food sector.

The products we manufacture in our three plants are obtained with raw materials supplied by small and big Industry and they are distributed throughout Italy and some European countries.

DECO INDUSTRIE worries to operate in the respects of the workers, of the clients, of the supplier and of the local communities trusting that the sustainability can help to advance, leaving values for next generations.

DECO INDUSTRIE is a specific kind of Cooperative Company. DECO INDUSTRIE shareholder are employees of the Company. They work every-day for DECO INDUSTRIE and they can have information and possibility to influence the governance and the strategic acting of the Company.

Our historical attitude is oriented to preserve:

- Commitment to develop the expertise of our human resources.
- Openness towards the outside world in order to promote flows of added value in commercial and technological terms
- Commitment to take care of the interactions with the local area and local communities, with a view to generating benefits and reducing involuntary negative impact.
- Protection of the environment in order to avoid removing resources and plan a credible future

Our ongoing commitment to our core values is evident in the level of the investments we make, year by year, in consumer surveys, R&D, training and upgrades to manufacturing and other facilities. Further proof of the solidity of our commitment is provided by the sustainability of our projects, our support for community-based and charitable projects and the awards for innovation that have been bestowed upon us.

HUMAN RIGHT

Principle 1

Should support and respect the protection of Internationally proclaimed human rights

Principle 2

Make sure that they are not complicit in human rights abuses

DECO INDUSTRIE engagement in United Nation Global Compact was notified to all the employees in the annual meeting in December 2012. The ten principles were explained and declined in actions, or project to develop, by the CEO and published on the Company web-site. Our position about human rights defence was already published in the Company internal regulation that give general rules to any worker.

No discrimination for gender, race, country of origin, economic situation, age, are admitted.

DECO INDUSTRIE ethic code added that the Company follows principles such as:

- **Transparency** in the relation with all the stake-holder and expectations to recognize the same in their attitude.
- **Respect and compliance with the laws and the human rights.** The same approach is required to the partner (suppliers, clients, public bodies, consultants, banks, etc.).
- **Coherence** to respect values declared and same approach is required to the partner (suppliers, clients, public bodies, consultants, banks, etc.).
- **Equity**, in terms of equality in opportunities and conditions for sexes, country of origin, etc.
- **Co-operation** with all the stake-holder, sharing with them the strategic vision and policy
- **Respect for the person** in its job dimension and with the aim to help quality of life and safe the family.
- **Listening to the shareholder and to the stakeholders** to improve all the aspects of the working life

DECO INDUSTRIE joined to two client's initiatives for promoting and enforcing the respect of human rights in the position of supplier and some requirements on engagement to respect human rights and don't become complicit in human right abuses.

Kind of action undertaken



Participation in Industry Initiatives (client chain)



*Ethic Code
Supplier policy*



HUMAN RIGHT

Principle 1

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Principle 2

Make sure that they are not complicit in human rights abuses

Outcomes registered in 2012

on implementation of HUMAN RIGHTS principles

- Subscription of the agreement with two clients including our engagement in defence of human rights in day-by - day activities
- Communication about United Nation Global Compact on Company's web-site
- Explanation by the CEO to all the employees of the principles to put in practise

LABOUR

Principle 3

Uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labour

DECO INDUSTRIE management takes care of the dialogue with Trade Union Representatives that are present in the Company and leads its policy in the full respect of the collective bargaining applied to the sector we belong, for all the workers.

Different meetings between DECO INDUSTRIE Human resources management and the Social parts are planning in a year and Representative of the workers are involved in all the aspects that the Laws and Collective Bargaining stated.

A RLS who represents the workers are periodically elected in any single production site to give contributes in developing health & safety matters with the Delegates Directors.

Industrial relations kept by the Company had always taken care of:





- ethical and fair management of plants acquisition or closings
- negotiation on bonuses for productivity and quality level reached
- improvement respect of the Health & Safety and hygienic rules in the plants
- organization of the production, shift management and efficiency

Employment is freely chosen; level of wages, working hours, number of the work days in a week, minimum age for workers and young workers rights, not discrimination, discipline and grievances, are regulated as the Collective Bargaining prescribed, without exceptions. No Identity documents of the workers are kept from DECO INDUSTRIE in original; personal documents, curricula with information related, language comprehension are checked before to start the work, anyway.

The history of the single employee are traced in a database to register skills, abilities, training done, performances, just to know competence, responsibility, change in the organization, etc.

DECO is committed to respect fully the rights of human beings and, in particular, of workers. The company works hard at all times to **treat its employees fairly and on an equal-opportunities basis**. Moreover, the company implements measures to protect and defend the health of its employees during their time in the workplace.

Kind of action undertaken

-  Participation in Industry Initiatives (client chain)
-  Ethic Code
Supplier policy
-  Health & Safety Management system
Training plan and report
-  Collective Bargaining application

LABOUR

Principle 3

Uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

Eliminate all forms of forced and compulsory labour

Outcomes registered in 2012

on implementation of LABOUR - principles 3 and 4

- 4 meetings in a year between CEO and Trade Union Representatives- 34 participants
- 177 employees are shareholder (74% of the total)
- 50% of the employees has a working permanence in DECO INDUSTRIE of more 10 years
- Investments for H&S : 10% of investment budget – 570.000 euro
- Training report on 260 employees (238 permanents and an average of 30 temporaries)

	n. of courses	n. of permanent employees	n. of temporary employees	% involved vs total employees	Hours per year
Quality, food safety	37	17	-	6,5%	870
Specialization and up-date of knowledge	27	81	26	41%	477
H&S	51	161	122	100%	3390
Environment	6	18	62	31%	319

LABOUR

Principle 5

Support the effective abolition of the child labour

Principle 6

Eliminate discrimination in respect of the employment and occupation

DECO INDUSTRIE respects the minimum age for worker and the young workers rights stated by the Collective Bargain.

Under eighteen people are accepted only with a stage agreement made with the School attended by the young. Such agreement are made to grant students or neo-graduate to have an initial working experience.

PEOPLE CARE INITIATIVES

Several activities are organized, and supported completely or partially by the Company, to improve the wellbeing of the employees. Examples are:

- Offer of social and cultural journeys
- Integrative sanitary insurance for the employees shareholders
- Subscription of newspapers
- Season ticket for local theatres and sport events
- Events for share-holders sons
- Christmas packages for employees family

EXTERNAL INITIATIVES

DECO INDUSTRIE started on the project to buy RSPO palm oil certified instead that the standard one; palm oil is an important raw material for bakery industry like us. Most of the Palm oil comes from Malaysia and Indonesia where deforestation and minors works are wide spread; RSPO is a global association that offers palm oil obtained from a chain that demonstrates to reduce the impact on forests and don't apply child labour for the collection of the palm fruits and seeds.

Kind of action undertaken



Participation in Industry Initiatives (client chain) and RSPO palm oil project



*Ethic Code
Supplier policy*



Collective Bargaining

LABOUR

Principle 5

Support the effective abolition of the child labour

Principle 6

Eliminate discrimination in respect of the employment and occupation

Outcomes registered in 2012

on implementation of LABOUR - principles 5 and 6

- 35% of palm oil bought by DECO INDUSTRIE is RSP certified
- Employees matrix

	male	female
permanent	151	73
temporary	10	4

TOTAL 161 77

Aged < 18 years — —

Protected category 4 7

Part-time 1 7

Not italian 3 6

	male	female	Change vs previous year
Executives and Managers	7	—	not change
White collar workers	29	30	increasing
Blue collar workers	125	47	not change

TOTAL 161 77

- Social events cost for employees wellbeing: 124.000 euro

ENVIRONMENT

Principle 7

Support a precautionary approach to environmental challenges

Principle 8

Undertake initiative to promote greater environmental responsibility

Principle 9

Encourage the development and diffusion of environmentally friendly technologies

SUSTAINABILITY PROGRAMMES

DECO INDUSTRIE put into practise a number of voluntary programmes promoted by European associations operating in the industry. All of these initiatives are aimed at reducing the negative environmental impact on the eco-system caused by manufacturing operations and by the life-cycle of the products.

WASHRIGHT

The Washright initiative - promoted by A.I.S.E. (the International Association for Soaps, Detergents and Maintenance Products), which represents 36 national chemical-industry associations in 34 countries, as well as around 1,000 companies - is committed to providing consumers with useful information on the most efficient usage of detergents and home appliances for the cleaning of clothes and of the home.

ECO-LABEL PRODUCTS

DECO manufactures products bearing the ECO LABEL mark. This European ecological label confirms the reduced environmental impact of the entire life-cycle of the product and also that the performance of the product is comparable to the performance of the leading brands.

AISE - CHARTER


The charter programme was launched by A.I.S.E. in order to ensure that SMEs are using sustainable management systems in the development and manufacture of domestic and I&I (Industrial & Institutional) cleaning products. Companies that sign up to the charter are committed to manufacturing their products in the safest way possible, safeguarding the environment through reduced utilisation of chemical substances and natural resources (such as water). By taking an effective, targeted approach, Companies can endeavour to guarantee the safety and suitability of their products for their intended uses. The objective is to implement most sustainable models of production and consumption.


Environmental management Systems according to the ISO 14001 are implemented in DECO INDUSTRIE sites, including food manufacturing plants.


The commitment to minimize the environmental impact cover all the aspect and impact and it's displayed in different project listed in the table below:


On raw materials	On packaging	On logistic	Plants	On product
Selection substances and ingredients with a H&S and environmental risk assessment criteria	Cut of the packaging weight/quantity	Project of transport unit to optimize the load on truck or the storage	EEC Energy Efficiency Credit project in partnership	Participation in competition on sustainable innovation
Check the gap between STD quantity vs real consumption	Selection of recycled or easy recyclable packaging	Delivery and transport planning	Dismissal planning for HCFC/CFC refrigeration devices	Eco-label certification for dishwashing detergents (criteria reviewed)
	New solutions for the secondary level of packaging		Surveillance on ISO 14001 certification	LCA studies

Kind of action undertaken

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 - Voluntary charter or codes*
 - LCA*
 - Sustainability system management*

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 - Risk Assessment*
 - Environmental Management system certified ISO 14001*
 - Supplier policy*

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 - Routine Training and emergency test*
 - Sustainability KPI*

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 - Reports on the EMS*

ENVIRONMENT

Principle 7

Support a precautionary approach to environmental challenges

Principle 8

Undertake initiative to promote greater environmental responsibility

Principle 9

Encourage the development and diffusion of environmentally friendly technologies

Outcomes registered in 2012

on implementation of ENVIRONMENT principles 7, 8 and 9

- Results of the Environmental projects

Project	Results
Monitoring of: -Water consumption vs waste water consumption -% of raw materials that meet requirements fixed in voluntary code -Energy consumption vs kg of production -CO2 equivalent emission vs kg of production -Waste vs kg of production	Environmental report for single site: constant data or light improvements
Sell of EEC Energy Efficiency Credit (called white TEE in Italy) on energy market (saving of energy certified obtained with new technology installed)	1 project advanced on one of the food plant
Reduction of packaging (consumer unit + sale unit) per kg of production	78 kg of packaging per tons of detergent product vs average 90 kg per tons of AISE (European Detergents Industries)
Packaging solution for detergents : PET 100% recycled post consumption + bundle to eliminate cardboard outcases Second step: dishwashing after small size softeners	Reached the 24% of detergents packed with "PET r bundled " packaging Saving 1,6% of cardboard raw materials in the year
Formulation and packaging that meet Ecolabel criteria and performance test vs leader	Ecolabel dishwashing authorized and launched as private label product

ANTI-CORRUPTION

Principle 10

Work against corruption in all its form, including extortion and bribery

DECO INDUSTRIE has adopted a Model of organization, management and control that meets the requirements of the Italian Legislative Decree 231/2001. The so-called "231 Model" is based on a risk assessment and is a procedures and rules framework to prevent offences (bribery and corruption too) could be committed by Directors, Managers, employees. Its first version was dated 2009 and it was reviewed on October 2012, tailored on the regulatory news and the organizational evolution afford by DECO INDUSTRIE.

A Supervisor board (Organismo di vigilanza) assess the Model adequacy and effectiveness and oversees its implementation.

The 231 Model contains the following main prescriptions relating to bribery and corruption prevention:





- transparency rules to track auditing and relationship with Authority control Body
- forbidden to sign or propose agreement for employment, consulting, business undertaking that could benefit employees or consultants of the public institutions
- transparency rules to track benefits and gratuities or donation to external Institutions or Private entity
- transparency rules to track the request and the use of resources coming from Public financed resource (training, R&S project, etc)
- transparency rules to track the renewal of Authorizations and permissions or the payments to Public Officials.
- transparency rules to track the participation to Public Bodies tender
- strict procedures to trace the profile evaluation, the selection and the contract agreement for new employees engagement.

The respect of the same principles and general approach is required to the suppliers of services, to the consultants and to all the sub-contractors who work for DECO INDUSTRIE. DECO INDUSTRIE states to rescind a contract with a supplier or a consultant that result to be involved in corruption or bribery's offences, both DECO INDUSTRIE could be directly damaged or not.

The 231 Model was presented to most of the employees in a general meeting in December 2012.

In 2012 an electronic form was made available on the Company's web-site for every body to send note and signal to the Supervisory Board not-fulfillments or default events concerning the 231 Model.

Kind of action undertaken

-  *Up-dating of risk assessment*
-  *Aver-all corporate code with a Anticorruption section*
Supplier policy
-  *Employees information and training*
-  *Anonymous communication line to signal not-fulfillments*

ANTI-CORRUPTION

Principle 10

**Work against corruption
in all its form, including
extortion and bribery**

Outcomes registered in 2012

on implementation of ANTI-CORRUPTION - principle 10

- **Up-dating of 123 Model in October 2012 after first version of 2009**
- **1 internal audit on procedure relating anti-corruption prevention**
- **Not received notification on non-fulfillments relating anti-corruption prevention system**