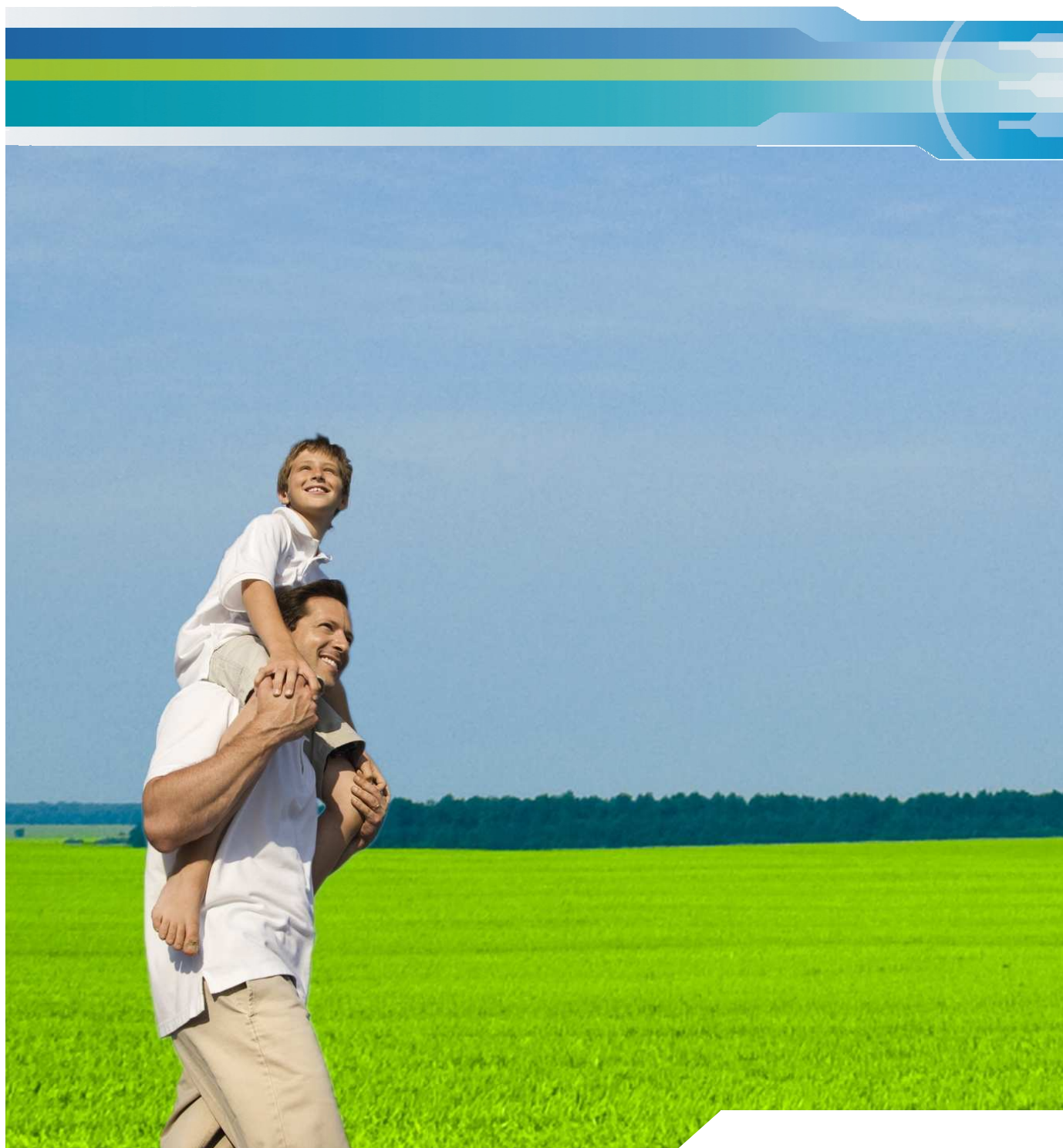


EUROTECH UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

Reporting Period: May 2013- April 2014





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Statement from Eurotech CEO

I am pleased to present Eurotech's COP 2014 to the UN Global Compact.

It's five years now since we joined the UN Global Compact 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. Today we still look at our participation to this initiative in the same way and we want to keep going in the same direction.


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

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 2013 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 continue foresighting the future, in our work we encapsulate a natural attention to the social dimension: 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 of 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 minimizing the use of resources during their production and use, Eurotech products – boards, systems, ‘ready-to-use’ devices, machine-2-machine integration platforms, 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 2013, we like to recall here:

Visionary M2M application that detects potentially dangerous head impacts and stores data in Cloud wins several awards

Everyware Cloud platform 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 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.




This innovative approach has proven in 2013 to be appreciated by both the technology and the sport communities, as testified by several awards won during the year. In March 2013, Eurotech powered Sensuss application was recognized as a 2013 Computerworld Honors Laureate. Founded by International Data Group (IDG) in 1988, The Computerworld Honors Program is governed by the not-for-profit Computerworld Information Technology Awards Foundation. Computerworld Honors is the longest running global program to honor individuals and organizations that use information technology to promote positive social, economic and educational change. In June 2013 the Sensuss-Eurotech solution was presented with the Gold Connected World Value Chain Award in the M2M in Action category. The Connected World magazine Value Chain Awards honor the most successful corporate adopters of M2M technology and connected devices, as well as the solution providers that help make their technology adoption a success. Again in June, Eurotech powered Sensuss application won the Silver 2013 Best of Sensors Expo Application from Sensors Magazine at the Sensors Expo & Conference in Rosemont, Illinois.

The Satellite Applications Catapult uses Eurotech M2M integration platform to enable cloud-based innovative applications for the Internet of Things

The Satellite Applications Catapult, a UK government-funded technology innovation centre, has purchased a suite of Eurotech's multi service gateway devices and the Everyware Cloud machine-to-machine (M2M) integration platform to provide new businesses and entrepreneurs with the infrastructure to develop and test new technology and applications. The Satellite Applications Catapult (<https://sa.catapult.org.uk>) was established by the Technology Strategy Board and focuses on satellite technology applications. Eurotech is providing a walled garden version of the Everyware Cloud platform, along with multi service gateway edge devices to create an open framework for clients to build and test Machine to Machine and Internet of Things applications. In this way our Everyware Cloud platform can be used to accelerate development of innovative solutions that, exploiting the greater efficiency of the Cloud IT infrastructure, can natively be more efficient compared to applications conceived with the traditional IT approach, with a positive impact in terms of sustainability.


First and second place in the Green500, the world ranking of most efficient supercomputers



Eurotech scored first and second place in the Green500, the ranking of most efficient supercomputers in the world, with the Eurora supercomputer installed at CINECA and the Aurora Tigon supercomputer installed at the Finmeccanica company Selex ES, specialised in information technology and security. Eurora, the supercomputer of CINECA, entered in first place with 3210 MFlop/s per Watt, while the system of Selex ES, Aurora Tigon, was ranked second with a value of 3180 MFlop/s per Watt. To give an idea of the importance of the result, the third place of the Green500 is occupied by a system with 2450 MFlop/s per Watt, which is a value 25% lower than that obtained from the computers produced by Eurotech. Such a result was made possible by the combination of the energy aware Eurotech design and the high-performance efficiency of the NVIDIA® GPU-accelerators. Thanks to savings in energy and space, solutions like the Aurora systems can reduce TCO (total cost of ownership) by an average of 30%-50%. Compared to a conventional air-cooled system, Aurora HPCs enable computing centers to save up to 50% on energy bills, while reducing space occupancy by 5 times due to higher density system configurations. Speaking about “green” implications, the Eurora system of CINECA, when compared to an equivalent performance air cooled system, brings a reduction of more than 2,300 tons of CO2 emissions per rack during its lifetime. In addition, the water heated up in the Aurora systems can be re-used to heat buildings, drive adsorption chillers for air conditioning or in industrial processes.

Catalyst BT confirms Eurotech’s industry leading performance for lowest power consumption

Eurotech not only proved to be the best in energy efficient supercomputing, but also continued to create and market state-of-the-art low power embedded computer, keeping faith to its long term tradition in this field. During 2013, we launched the next generation of modules in the Catalyst series, the Catalyst BT Computer on Module (CoM), based on the Intel® Atom™ E3800 series, with the aim to satisfy customers looking for industrial grade quad-, dual- or single-core performance with enhanced network and video capabilities while maintaining very low power consumption. Designed for intelligent Internet of Things devices, the Catalyst BT delivers the next generation of high performance compute and graphic performance in Eurotech’s familiar 67x100 mm CoM form factor. With an extended temperature range of -40oC to +85oC, the Catalyst BT is ideal for both space- and temperature-constrained devices in medical, industrial, gaming, retail, and automotive markets. Like the previous models of the Catalyst family, the Catalyst BT showcases Eurotech’s expertise in extremely low power, industrial grade platforms while taking advantage of the latest processor features and video capabilities. Moreover, the Catalyst BT is a native IoT/M2M platform, supporting Everywhere Device Cloud, Eurotech's scalable



cloud offering: in this way the Catalyst BT can also fully exploit the advantages of the efficiency of a cloud-based approach in term of better use of IT infrastructure resources.

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 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.


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. On top of that, 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. In 2013 we continued to use such approach and we consolidated it as a common behavior within the Group.

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

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- 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, 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.



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

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 continue to pursue 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 through Innovation Contests, Workshops, Conferences which aim at stimulating the renewal of the country and the facing of the great challenges of our times. Mr. Siagri, Eurotech CEO, is founding member of Axelera.


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 2013 Eurotech has sponsored such type of activities and we would like here to highlight the followings:

Micro-gift initiative

In order to involve all employees and spread the culture of engagement in the support to the local community, we activated a new initiative called “Microdono” (Micro-gift). Through this initiative, each employee give a small amount (few Euros) on a monthly basis for one year directly from his/her payroll to support a project of the community that Eurotech has chosen as significative and worthy. For each Euro offered by an employee, Eurotech adds another Euro in order to double the gift. This joint gift in



2013 was given to “Carnia Special Team Onlus”, an organization dedicated to promoting sport among disabled people as a mean for personal development, autonomy and integration.

International Laboratory of Communication (LAB)

Another initiative of social integration and cultural integration we supported during 2013 is the activity of the “Laboratorio Internazionale della Comunicazione” (International Laboratory of Communication or LAB). The LAB is an advanced course in Italian language and culture and is one space of creative inventions. The Lab realizes in a border region like Friuli Venezia Giulia, where Eurotech has its headquarters, peacebuilding strategies and understandings between peoples and cultures.


“Made in Paradise”

“Fatto in Paradiso” (Made in Paradise) is the name of a vine. Not a normal one, but a special one: this is a vine created as the mean to collect fundings for the Onlus Foundation “Francesca Pecorari” (www.francy.org), created in memory of a young girl whose altruism and sensibility deserved to remain alive even after her untimely death. Disadvantaged areas and young people in need of help are the scenarios where for several years now the Foundation has been dedicating its efforts; the thousands of children who daily attend the five schools already built are the best testimony of the Foundation will to create a better world. In occasion of 2013 Christmas, at Eurotech we decided to choose the vine “Fatto in Paradiso” of the Onlus Foundation “Francesca Pecorari” as our gifts to selected business partners: another way to continue to add a social dimension to our business actions.

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 2013 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 2013 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 2013 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 digital 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.

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 developing countries, can make a difference in allowing the emerging layers of society to access energy, credit, medical care, material resources, etc with more and more equal possibilities compared to the ones of citizens of the already developed nations.

During 2013 Eurotech has continued its investments in creating solutions that 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