

The ten principles of Global Compact

Human Rights



Principle 1

Companies should support and respect the internationally proclaimed human rights within their sphere of influence.

Commitment

The existing national legislation fully guarantees every universally recognized right and IME's strict application of it is a guarantee of absolute adherence to this fundamental statement.

Systems and Actions

The constant attention to compliance with any behavioral norm has allowed so far, and we are confident in the future will also allow IME to monitor and possibly to prevent any form of discrimination or violation of human rights which, if recognized, would immediately and appropriately be sanctioned and eliminated.

Any violation has never recorded and/or discovered and about this item, and both company's management and Human Resources pay particular attention to ensure that rights are always guaranteed to anyone. This attention was also paid during the period covered by this communication and any kind of violation was detected.

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Principle 2

Companies must be sure not to be directly or indirectly complicit in human rights abuses.

Commitment

In addition to what has already been stated with reference to the principle nr 1, IME identifies the guarantee of human rights not only in direct relations with its staff but also with reference to relationships established directly or indirectly with any third party being them customers, suppliers or general public. This guarantee is evident in the ongoing monitoring of offices/departments business with the main purpose of verifying that they do not perform such behaviors and actions that may override the rights of others, or transparency and equity in moral and financial treatments.

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Systems and Actions

With reference to employees IME Spa constantly monitors the level of economic and professional framing of each resource through the responsible internal function dedicated to Human Resources who always promptly and directly relates to the company management. The specific aim of this internal division is to verify the compliance of the treatment to the contractual conditions.

Through regular meetings and personal conversations with employees the HR resource is sure to avoid any economic and/or professional inequality and in the meantime is able to collect the needs, not only economics, of its staff.

IME's commitment to national legislation about environmental work safety allows it to ensure that everyone in the company is working into an adequate environment, putting above all, the integrity of persons as the core of every action taken by the board.

The DVR (Document on Risk Assessment) whose latest version has been updated and approved on May 2012, regular meetings between all people responsible for training courses for employees in charge of the emergency, guarantee an adequate safety level for anyone working at the company.

The attention paid in helping those who are in difficulty, the elimination of the possible causes of an accident, the procedures to secure one person as well as the entire staff of the company are subject to daily activities made by internal security department.

One of the main evaluation parameters is given by the number, the type and severity of accidents in respect of which they reveal what follows:

- 2007 2 accidents occurred both due to causes independent of the performance of work performed. Employees annual average nr. 133.
- 2008 1 Accident occurred due to inexperience in the use of tools during work performance. Employees annual average nr. 135.
- 2009 1 accident occurred due to reasons beyond the performance of work performed. Employees annual average nr. 135
- 2010 no accidents occurred. Employees annual average nr. 131.
- 2011 nr. 2 accidents occurred: one due to the distraction of the operator and the other happened in nonworking time to reach the workplace. Employees annual average nr. 132.
- 2012 no accidents occurred. Employees annual average 131.
- 2013 2 accidents occurred. Both accidents due to inattention of personnel; in any case with no serious consequences. Employees period average nr. 129.
- 2014 half no accidents occurred. Employees period average nr. 125.

In 2011 the evaluation of work-related stress was included in the Risk Assessment Document. This procedure was committed to evaluate the degree of stress related to different work tasks for each individual employee. What emerged was a very satisfactory result.

With regard to the transparency of operational procedures adopted by the IME, an explicit reference is made to the Quality Manual and related written procedures. IME got the certification of the Quality Management System according to ISO 9000 rules since 1997 and then it went on with its maintenance and adaptation to ISO 9000-2008. All



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these rules testify a guarantee about the way suppliers are selected according the objective criteria to guarantee their work.

IME's commitment on this item will be extended in the future to the request sent to the main suppliers to confirm and sign that their activity is carried out in accordance with the principles set out in the handbook of the Global Compact, committing the company to spread where necessary the appreciation and the respect for the principles.

About customer relationship IME ensures maximum clarity of relationships describing in sales documentation each element needed to make as transparent as possible any commercial operation.

As for its specific manufacturing IME guarantees that it strictly complies with the applicable technical CE mark standards in order to protect the physical safety of any desired user.

And more IME spreads a great effort to communicate simply and clearly the best and proper use of the tools manufactured in order to ensure a responsible and safe use of them.



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Labour

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Principle 3

Companies should support the freedom of association and the effective recognition of the right to collective bargaining

Commitment

IME has always guaranteed the freedom of association in full compliance with current regulations. The trade unions (Unions) which are properly constituted, are not only fully recognized but are also an active counterpart in the dynamics of business.

Systems and actions

The internal function dedicated to Human Resources, put in direct contact with company management has a constant interchange of news and information with internal union representatives.

In accordance with Trade Unions IME verifies the strict application and interpretation of provisions stated in the existing National Collective Labour Contract; performs and follows all stages of any negotiation;

IME discusses integrative bargaining agreements by which some prix had been paid since many years to all employees in addition to the provisions of the collective labor agreement for metalworkers:

“Premio Feriale”, so defined, but in fact it corresponds to an additional month salary equalized at the same level for all employees.

“Production Premium”, parameterized index commonly agreed and recognized on the

achievement of objectives as integral and essential part of a supplementary agreement discussed, approved and signed with the trade unions and renewable every three years.

The opportunity and the freedom to spend part of their work to carry out the same duties both inside the company and outside are constantly guaranteed to the representatives of the Trade Unions.

IME also guarantees the right of workers to meet themselves regularly in internal meetings as required by the current national labor contract. IME's management fails to take part in order to be a guarantor of total and extreme freedom of expression of individuals.

In accordance with the Trade Unions, the management and Human Resources dept. monitor the quality of the internal service canteen daily delivered to all employees; service for which the company directly supports more than 80% of the total cost.

Trade union representatives are regularly and freely nominated and elected from the audience of workers in accordance with current rules dictated by the National Collective Labour and are therefore fully recognized by the company as official representatives of the entire workforce.

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Principle 4

Companies should support the elimination of all forms of forced and compulsory labor.

Commitment

Since its foundation IME has worked, in full compliance with existing rules on protection and labor warranty referring to the dictates of the national collective bargaining agreement as well as other relevant regulations about safety, accident and pension schemes.

IME does not support or practice the exploitation of any form of forced or compulsory labor. The company tends to properly organize the workload in "normal" working hours avoiding as much as possible the use of overtime and leaves many time-spaces for pause and rest to all its employees during the workday.

With the aim to facilitate and solve the most varied and simple personal needs the Company has granted to employees free access to the Internet company network during a scheduled time for personal uses and purposes, still in compliance with the internal data security and access rules.

Systems and actions

Human Resources supervise in accordance with the board to any problem concerning the classification of tasks actually carried out, and times and workload for individual employees of the company. HR dept. promptly answer to any request of absence, holidays or other suspensions and interruptions of work especially when they are due to particular personal problems of the applicant. Permission for special



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needs related to family members of employees are regularly granted. Each employee has the possibility to be paid 1,5 hours every day even if he's doing clinical examinations at health care facilities.

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Principle 5

Businesses should support the effective abolition of child labor.

Commitment

IME operates in full compliance with the regulations in force and whenever it counts on services provided outside its factory, it always puts the utmost care and attention in choosing its suppliers, evaluating through screening tests during preliminary meetings, every aspect that could also indirectly make it complicit in violations against minors.

Systems and actions

IME categorically excludes any forms of exploitation of child labor.

The average age of employees end of June 2014 is reported to be 48 years old. The employees recorded on the same date were 125: 4 of them were between 22 and 30 years old. 19 of them were between 31 and 40 years old. 51 of them were between 41 and 50 years old. 47 of them were between 51 and 60 years old. and 4 of them were more than 60 years old.

These figures show how the chronological age can exclude the presence of any form of child labor. In the meantime the numbers indicate a "loyalty" felt by employees testifying the fact that many efforts are carried out to create, maintain and improve the quality of the working environment, the type and method of work, the quality of human relationships. IME is proud and gratified about this status and in the meantime it continues with its policy of preservation of its important human know-how.

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Principle 6

Companies should support the elimination of all forms of discrimination in respect of employment and occupation.

Commitment

Human Resources in accordance with the management carry out the selection of staff and / or its redevelopment using criteria and methodologies solely based on the level of professionalism, business needs and aspirations and preferences of the employees.



The Company doesn't absolutely establish distinctions and discrimination which could refer to gender or other personal and "sensitive" characteristics such as race or ethnicity, religious belief, political orientation, state of health of the staff.

Systems and actions

To demonstrate what was set out at the end of June 2014 the total employees were 125. 43 of them were women (equal to 34.40% of the total) while the men were 82 (equal to 65.60%).

1 worker is coming from countries outside the European Union and this shows the company's commitment to the elimination of all forms of discrimination and the contribution to integration. With reference to women, a particular attention is paid to the needs of working mothers who wish to take care of their kids; in fact the Company gives them the required permissions without limitations.

The company also employs some disabled workers (5 men and 1 woman at 30 June 2014). They're employed in specific roles and tasks absolutely not harmful or dangerous for them; and they're also perfectly integrated in the professional environment. In order to make many other offices more accessible after the recent installation of an elevator for disabled people, the Company is making some refurbishments to create more easy-access.

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Environment

Principle 7

Companies should support a precautionary approach to environmental challenges.

Commitment

The value of the environment, defined like everything that surrounds us and not only like a natural ecosystem, has become over time one of the points of attention of IME's activity.

In this context, the departments responsible for design, production, logistics and quality pay particular attention to environmental issues, taking care to consider the impact that any new activity carried out might have on it.

Sistemi ed azioni

Ime (even before the birth of CONAI National Packaging Consortium) performed the separate collection of waste typical of its production;



It was therefore easy to join it later, although it was not a legal requirement, in the belief that the collection and the related and subsequent controlled recovery through proper recycling contribute to the reduction of environmental pollution and waste materials.

The consortium membership involves not only an active participation but it also has an economic component given by the contribution that the company pays periodically to the consortium in connection with the amount and type of materials "packaging" used.

The volumes of tons of waste sent for recovery shows a huge decrease of "Mixed waste" in favor of an increase of "packaging paper and cardboard." This testifies the attention given to preventive collection which allows the recovery of the waste with a cost reduction of differentiation for the entire community.

Ime is still maintaining its own class of membership in the scale of emissions of greenhouse gases in the atmosphere at 11.05 Kg/m3a, in full "green zone".

The Company has also finished a substantial renovation of about 600 square meters allocated like technical offices and laboratories for testing activities. As a result of this improvement and optimization of space the Company got a substantial reduction in the consumption of gas required for winter heating of premises; this was possible thanks to the attention paid to thermal insulation and to the considerable reduction of the heatable cubage.

All these initiatives are also helping the Company to improve the parameters of the energy performance certificates of production plant buildings.

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Principle 8

Companies should undertake initiatives to promote greater environmental responsibility

Commitment

IME recognizes environmental responsibility as one of the challenges of this time and of the next future. In this context, it aims to promote the environmental culture among its staff.

Systems and actions

The Company aims to promulgate a set of guidelines principles which allows each employee during its activities to reduce and contain the energy consumption, the misuse of materials, the water consumption not strictly necessary. All these behaviors try to reduce business impact on the environment.

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Principle 9

Companies should encourage the development and diffusion of technologies that respect the environment.



Commitment

IME's commitment is to monitor constantly the adequacy of manufacturing technologies used in order to minimize the environmental impact of its production.

Systems and actions

The maintenance of a fleet of electric and electronic equipment in perfect working order, the renewal of the obsolete ones, the use of those which are strictly necessary, are daily objectives pursued by the corporate IT function;

as well as the encouraging activity to develop the use of in/outside communication systems more and more technologically updated (with sensible decrease of the traditional ones) with a very low environmental impact.

When the company car fleet must be renewed IME continues to prefer the best class of low-pollution cars by purchasing the most technologically advanced cars.

The regular maintenance made by authorized workshops directly from the manufacturers, (more expensive than others) provides reliability and efficiency respecting the environment.

Over the last year the Company has continued a careful survey of all the materials used in manufacturing processes with the aim to find , in cases where it was required or desired, components or substances alternatives less harmful. IME also dedicated during last year an amount of about 2,3% of its turnover to the replacement / maintenance of production-machinery.

And more, the document management software introduced last year, was further developed and used with a huge reduction of paper usage.

Fight against corruption

Principle 10

Companies should work against any form of corruption including extortion and bribery.



Commitment

IME has been operating for 68 years in full and complete compliance with codes of ethics and conduct extremely strict that even if not written became personal assets of the partners and employees. In fact the Property and the Executive Board believe that no form of corruption, bribery, extortion should may interfere or proliferate within the corporate structure.

Systems and actions

The Company has never detected incidents of corruption, extortion and bribery that may have affected company employees during their performances.

The internal control system is efficiently and effectively managed and it is subject to quarterly controls, of an external and independent body which is the Board of Auditors;

The Auditors has never detected during their regular activities any irregularity or any presence of situations contrasting with the above set out principles.

The commitment to pursue the above mentioned principle is well attested by the operational transparency and by the wealth of information provided in the preparation of the annual financial statements and half-yearly check and situation by the Board of Directors.

What shown is the matter of regular meetings which are signed and correctly recorded on business and company books.

Further evidence of compliance with these principles is the fact that IME has been accredited as a provider for organizations, institutions and companies such as Enel Spa (public energy company), Ferrovie dello Stato (public railway transports), the Marina Militare Italiana (Military Italian Navy).

In such situations, vendor selection and its suitability to be accredited must pass a strong control due to anti-mafia laws and transparency in tenders.

And more, IME is still having the best rating certification in Dun & Bradstreet score lists.

Corsico, 30th of June 2014

I.M.E. Istrumenti Misure Elettriche Spa
Il Presidente

Dr. Giovanni Calvi

