



Communication on Progress

Year: 2011

Vittorio Veneto, 29.06.2012

STATEMENT

Being a good corporate citizen is an ambition enthusiastically embraced at all levels within our company. As a member of the Global Compact, we believe that our business policies incorporate the ten principles. Our board fully supports our actions in working towards sustainability goals – in particular those contained in the UN Global Compact – and endorses the future priorities and specific targets we set out in our report.

Through our support of the United Nations Global Compact, we also aim to move the agenda forward on performance related to human rights, labour rights, the environment and the fight against bribery and corruption. In our annual report, we have summarised the progress we have made against each of these principles and we will continue to follow them up in future reports. Here we provide an index to our performance with cross-references to the related GC principles.

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1 Global Compact Principle:	BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS	
Commitment	Actions	Outcomes
<p>Permasteelisa has a Code of Ethics in which the core principles that inspire the management of its business are described, amongst which the following principles are cited:</p> <p>“Focus on and enhancement of human resources” - par. 5.4</p> <p>The Group recognises the centrality of human resources and the importance of establishing and maintaining relations with them based on reciprocal loyalty and respect, making adequate tools and professional growth opportunities available to its associates. The Group also promotes respect for the psycho-physical and cultural integrity of persons, ensuring work conditions that respect human dignity and safe and healthy work environments. Relationships between the Group's employees must be marked by principles of civil co-existence and must be conducted with reciprocal respect of the rights and liberty of the persons.</p> <p>“Hygiene, safety” - par. 5.9</p> <p>The health and well-being of persons, the safety of the construction sites, works and installations are priority objectives of the Permasteelisa Group and inspire all the actions with its employees, suppliers, customers, partners, subcontractors and third parties involved in the corporate businesses.</p> <p>Permasteelisa has a great commitment to providing work environments, services and projects conforming to the requisites of the prevailing regulations. This commitment is adopted in every corporate business sector and each phase of project execution from engineering to procurement, up to the construction site activities”.</p> <p>“Social responsibility” - par. 5.11</p> <p>Permasteelisa has the implementation of the SA8000 (Social Accountability 8000) standard at Group level as an objective and, in compliance to the requisites of these regulations intends to ensure the fundamental rights of the workers in compliance with the prevailing laws in the countries in which the Group operates and the signed agreements with third parties based on the conventions of the International Labour Organization. Specifically, the</p>	<p>Permasteelisa S.p.A.'s corporate management considers that health and safety at work (HSW) is an aspect of fundamental importance within the correct operating and planning of the resources employed and respect of a human being in all its meaning.</p> <p>For that purpose the management has activated a health and safety at work management system as an integral part of its business, promoting strong awareness of safety at every level of the corporate hierarchy in a continuous perspective of prevention and improvement, Management System DPS 2.1.1.</p> <p>Permasteelisa requires its contact persons, customers and suppliers, other than its employees, to subscribe to and therefore respect its Code of Ethics. Specific clauses are provided for in the contracts.</p> <p>HEALTH</p> <ul style="list-style-type: none"> ▪ “Prevenire è Vita” (Prevention is Life) Permasteelisa initiated a prevention project in November 2008 that provides for totally free anti-tumour Check-up for employees. A specialist visit is arranged with a staff of doctors who prescribe personalised individual diagnostics based on the age and sex of the employee. Such diagnostic visits will be repeated roughly every year and a half for each employee. ▪ Anti-influenza vaccination Permasteelisa offers the possibility of having a free anti-influenza vaccination to all its employees every year. ▪ Work groups The company has instituted some permanent “work groups” for the purpose of identifying / showing any criticalities identified by the employees on matters of 	<p>The commitments that Permasteelisa set were achieved by implementing the projects described in the section alongside and obtaining in 2010 the results listed below.</p> <p>HEALTH</p> <ul style="list-style-type: none"> ▪ “Prevenire è Vita” (Prevention is Life) The project, initiated in 2008, has seen participation by about 80% of the employees of Permasteelisa S.p.A., Permasteelisa Interiors S.r.l. and Permasteelisa Impianti S.r.l. The project has been extended to the employees hired after 2008. In 2011 the Company organized five days of first and second level checks. At the end of the year the 45% of the attendees ended the project (I and II visits). The project will end for all the employees on next 31th December 2012. ▪ Anti-influenza vaccination 11% of the total employees of Permasteelisa S.p.A. joined the programme during the course of 2011. ▪ Work groups During the first three-years of activity of the work group many of the cues for improvement served to raise the safety standards in the factory (e.g., construction of

social responsibility requisites of the standard deal with the following themes:

- Child workers;
- Obligated work;
- Health and safety;
- Freedom of association and the right to collective contracts;
- Discrimination;
- Disciplinary procedures;
- Working hours;
- Remuneration.

These requisites have an impact on the corporate processes and business, also involving customers, suppliers and subcontractors.”

“Suppliers” - par. 6.3

(...omissis....) ; All the suppliers with which the Group operates must ensure modus operandi compatible with human and workers’ rights, and protection of the environment.

safety at work.

Some area managers have been appointed in the factory; they expose the observations of employees monthly with the purpose of increasing the capacity of control and prevention of workers’ health and safety. The reports that summarise the requests of the employees are analysed by the management for the purpose of implementing the requirements for improving the work place.

▪ **Safety**

Permasteelisa S.p.A. is committed to improving the health and safety of the workers in compliance with the sector regulations. The company has decided to establish an office dedicated to work exclusively on safety in the work environment.

TRAINING

▪ **Campus Project**

Permasteelisa Campus was created for the recruitment of the so-called “entry level” resources, the entry procedure in the past created technical, financial and organisational problems.

The project is directed at persons leaving Technical Institutes with a diploma and provides multi-disciplinary training for 5 weeks, with the Purpose of providing, in addition to the development of technical ability through 100 hours of training in the use of Autocad, an overall vision of the internal processes and therefore of the life

platforms to serve the lines, semi-automatic machines for fastening, changes to the lay-out of the line 5 packaging zone...), as well as suggestions of prompt remedies relating to individual problems; in 2011 the groups meet 3 times.

- In parallel meetings are held between SPP, RLS and factory management to keep the performance of the programmed activities monitored and define and share further improvement actions.

▪ **Safety**

The number of accidents further reduced during the course of 2011 compared to 2007.

in fact, a total of 26 accidents were recorded, considering offices, factories and construction sites, 25 of which at the work place and 1 “during travel”, that is to say occurring during commuting between home and the work place.

The seriousness index is an indicator that defines the dimension of the accident damage and is calculated as accident days for every thousand hours worked:

$$I_G = \text{accident days} \times 10^3 \text{ hours worked}$$

The table below shows the trend of the seriousness index over recent years.

	2007	2008	2009	2010	2011
I_G	1.85	1.52	0.78	0.85	1.43

TRAINING

▪ **Campus Project**

To date a total of 54 persons have had the possibility of participating in the Campus Project, 48 of which in the design areas.

Due to the global financial crisis, during 2011 the Campus Project was for the moment suspended awaiting a world economic recovery.

cycle of a work order.

The project provides a structured curriculum of 8 modules for a total period of 184 hours, which permits young employees to have a general view of the process: from the preparation of an offer for capturing a work order, through the design and installation phases until delivery of the product to the customer.

A panoramic of the materials generally utilised is provided and of the problems that these can cause structurally.

The curriculum also provides training the young employees from the technical viewpoint, with about 100 hours dedicated to use of Autocad, for the purpose of ensuring autonomy in the utilisation of the programme and reduce the design errors once the employees become operative.

Persons involved in the project vary from 10 to 20, according to internal requirements, and their entry depends on them passing a final test, composed of a series of multiple choice questions based on the programme carried out during the 5 weeks of the course.

▪ **Permasteelisa Technical Academy**

This is a project dedicated to the development of technical training programmes for employees of the Permasteelisa Group, which has the purpose of supporting their performance and continuous improvement facilitating the obtainment of technical information and development of personal expertise and knowledge, necessary for professional growth and the Group's future performance.

Technical Academy is designed to centralize corporate awareness and formulate a standard methodology of training, for the purpose of supporting the sharing of knowledge and exchange of information within the Group.

▪ **Training**

Permasteelisa invests in the continuous training of its employees to favour their professional growth.

In the last two years the Permasteelisa Group, and specifically Permasteelisa Spa, has been involved in a process of structural and substantial change.

A fundamental element to favour the approach to the aforesaid change is a good leadership capacity of the managers to assist the associates to meet and overcome resistance to change. This is possible through effective

▪ **Permasteelisa Technical Academy**

Permasteelisa Spa held training sessions in a hall for a total of 3,690 hours during 2011. The total number of employees who used the Technical Academy project during the year was 132.

Teaching in a hall was accompanied by organised visits to the production factories of some of the main suppliers for the purpose of assimilating the peculiarities and the implication of some materials in the design phases.

About 2640 hours for 111 persons were achieved in the other Group companies distributed in the European, Asian and U.S. areas.

▪ **Training**

17,218 hours of training were achieved in 2011, with the following attendance of employees at the courses organised:

Training courses	No. of employees.
- Languages	2750
- Specialist Training	464

communication, a real emotive and intellectual involvement of the associates and a remarkable team building capacity, such as to promote the spread of common objectives to which every individual of the team must adhere.

The contribution of the top management at all levels is therefore crucial to support and ensure change: their capacity to interpret new objectives and needs and assess the priority relevance of quality in the human resources management entrusted to them is determining. The leadership capacity that the managers must indicate thus becomes decisive, including in the perspective of those processes of integration of the diversities of which they are prominent figures.

In this perspective the training conducts a key role in contributing to the alignment, distribution and spread of the change, significantly contributing to the cohesion and spread of shared and common standards through organisational learning, and specifically through the diffusion of a common vision, alignment with respect to corporate objectives, making employees responsible and a leadership style aimed at the development of the expertise of associates and their empowerment.

▪ **Safety training**

Permasteelisa has prepared specific safety training courses for the employees (Prevention and protection in the work plac

- Information Technology	594
- Management	4740
- Technical Training	7435
- Safety	651
- General (Privacy, Legislative Decree 231/01, etc.	584

The training projects provided by the company for its managers:

- Passion for Excellence a training project created for the development of technical and managerial expertise of Design Managers and Project Managers, key corporate people;
- Win your race a training project created for the Executives/Managers of Permasteelisa Interiors based on the strengthening of their expertise;
- "Laboratorio delle idee e fabbrica delle soluzioni" Laboratory of ideas and solutions workshop training program created for Managers / Manager seeks to identify criteria for improvement of the organization with subsequent resolution of the action plan.

continued during the course of 2011, concentrating on the dynamics of managerial alignment, both inter-Business Units and intra-Business Units, favouring the consistency of the decisional processes at local level and the dialogue and knowledge sharing between the various Business Units.

The development of the managers' leadership capacities continued for the purpose of assisting the associates to face problems of various types.

▪ **Safety training**

In the bi-annual period 2008 - 2009 the training courses in relation to the matters of prevention, protection and safety at work involved 848 Permasteelisa employees in Italy.

Training courses continued during the course of 2010 in

CONVENTIONS

For the purpose of ensuring the well-being and a better quality of life of its employees Permasteelisa has agreed some conventions in their interests, for example:

- **Crèche service**

Permasteelisa has contributed financially and from a design viewpoint to the completion of an inter-company crèche situated in proximity of the companies' headquarters. The building was created in eco-compatible materials, with wooden fittings having enjoyable and coloured forms to ensure a healthy and relaxing atmosphere, and provides defined food programmes by arrangement with a dietician, other than a timetable capable of totally covering the work requirements of the parents. The corporate management has also decided to approve a further contribution of 50% of the monthly cost of the crèche fees on behalf of its employees using the structure.

- **Bank**

A framework agreement has been entered into with a bank that provides for various services on behalf of the Italian employees. Amongst these services, we mention a "virtual branch" in the company and a cash point service available 24 hours a day. The convention provides special conditions for all employees in the case

a manner aimed more at the individual work categories. Specific courses were proposed to the office staff on:

- first aid
- environmental management system
- environmental Consolidated Act,
- etc.

With regard to the production employees, the training courses were developed on themes strictly connected to the activities of an industrial factory, for example:

- first aid
- fire prevention
- utilisation of machinery (gantry cranes, fork lifts, etc.)
- waste management,
- etc.

The training courses continued in 2011 for blue collar (general safety courses, use of forklift courses, use of bridge crane courses) and site managers.

For white collars the training courses are scheduled in 2012.

CONVENTIONS

Permasteelisa's Italian employees have also continued to use widely some conventions in 2011 that were activated by the company in previous years.

For example, almost all the available seats of the convention with the inter-company crèche service was again utilised, as was the "virtual branch" of the bank arranged that ensures the weekly presence of at least one banking consultant available (previous appointment) for the employees during normal working hours.

In addition to the existing conventions such as body shops, vehicle workshops, car hire and travel agencies, car insurance, credit cards for employees and their family.

where the latter open current accounts or apply for mortgages with this bank.

- **Vehicle third party liability insurance**
A convention has been established with an insurance company for the employees with special tariffs.
- **Other conventions**
Permasteelisa has entered into a policy that sets as an objective the possibility of having discounts and concessions on behalf of its employees.

BENEFIT

Permasteelisa pays full cost of the noon meal for all its employees. The canteen is located in the industrial area of Vittorio Veneto, where the company is settled.

PRIVACY

Permasteelisa protects the sensitive data of its employees.

BENEFIT

Permasteelisa gives all employees who carry at least 6 working hours per days the canteen benefit

PRIVACY

The processing of the employees' sensitive data takes place in observance of the Italian legislation on Privacy. Access is reserved only to the staff involved in the function concerned. Paper documents with the sensitive data are conserved in protected areas, locked cupboards or offices.

Data conserved on electronic supports are protected by an authentication password. Data saved in server files is subjected to a planned backup, thus avoiding the risk of its loss.

The employees were also trained in connection with the Privacy regulations and in this context were acquainted with the methods with which to conduct the processing.

2 Global Compact Principle:

BUSINESS SHOULD MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Commitment

Permasteelisa rejects any behaviour that could lead to complicity in the commission of crimes of human rights abuses.

The principles by which Permasteelisa is inspired are set out in the aforementioned Code of Ethics.

Actions

So that everyone who collaborates with Permasteelisa respects the ethical principles in which the Group believes, the company has promoted the dissemination of its Code of Ethics to all employees, as well as customers and suppliers, asking them to sign it, and thereby approve.

The Code of Ethics has been distributed to all Group companies in order for it to be noted and accepted by everyone who collaborates with Permasteelisa.

Training courses were organized in Italy and in Group companies in order to share with and raise awareness

Outcomes

The Code of Ethics has been made available to everyone via publication on its website, www.permasteelisagroup.com, which can be easily downloaded.

Permasteelisa also promoted its spread internally, divulging it across all Group companies and the same time asking all General Managers to share it also with the customers and suppliers of various companies.

During 2010, the Code of Ethics was revised and approved by the Board of Directors of the Parent Permasteelisa S.p.A.

amongst employees of the importance of the Code as a basis of conduct on which Permasteelisa intends to build its business.

REPORTING

Permasteelisa has set up an e-mail address (organismodivigilanza@permasteelisa.it) for the reporting of any violations of the Code of Ethics, and therefore also for reporting hypothetical and potential human rights abuses. Reports are received by Permasteelisa Spa's Supervisory Board, which has the responsibility to inform Management and the Board of auditors in case of violations are reported. All reports are handled in compliance with privacy regulations, safeguarding the rights of anonymity of the person reporting.

on November 26, 2010. A translation into multiple languages of the Code of Ethics was also provided for as well as the previous Italian and English versions, so that its message could become even more widespread.

Delivery and acceptance activities for the Code of Ethics

The moment that they are hired, employees of the Group receive a copy of the Code, and are required to examine it and thereby accept its contents.

Suppliers and Customers

At initial contact a copy of the Code of Ethics is sent to the customer or supplier, accompanied by a letter that summarizes the importance of the document to Permasteelisa, with a request that suppliers sign it to show their agreement.

Training on the Code of Ethics

Training sessions with regards to Legislative Decree 231/01 for employees of Permasteelisa in order to inform and educate them also on the principles of the Code of Ethics are regularly held, in Italy and at foreign branches. For example, during 2009 training was held at all subsidiaries in the Asia area.

In 2010 about 90% of managers and executives in Permasteelisa's Italian companies had attended training.

In 2011 continued the training to the employees with lessons by a teacher and a subsequent test of valuation.

REPORTING

Also during 2011 as well as for the 2008-2010 periods, the Supervisory Board did not receive any information indicating that abuse occurred in relation to human rights.

3	Global Compact Principle:	BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING	
Commitment		Actions	Outcomes
Permasteelisa recognizes the right to collective bargaining, which supports the freedom of association of workers.		Currently part of Permasteelisa's employees are members of two national unions. Permasteelisa promotes freedom of association guaranteeing the various activities included therein, such as, for example, the freedom for employees to appoint their own union staff and representatives and the freedom of meeting during working hours.	The overall percentage of Permasteelisa employees in Italy belonging to unions in 2011 was 25% for Permasteelisa S.p.A., 12% for Permasteelisa Interiors Srl and 13% for Permasteelisa Impianti S.r.l. Follow the number of employees belonging to unions were: <ul style="list-style-type: none"> - Permasteelisa S.p.A. 135 - Permasteelisa Interiors S.r.l. 26 - Permasteelisa Impianti S.r.l. 5 Specifically, in 2011 8 union meetings were held at Permasteelisa S.p.A., 5 were held at Permasteelisa Interiors S.r.l. and 3 at Permasteelisa Impianti S.r.l., out of a possible maximum of 10.
4	Global Compact Principle:	BUSINESSES SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR	
Commitment		Actions	Outcomes
Permasteelisa, as stated in the Code of Ethics under the principle of " Focus on and development of human resources ", recognizes the importance of respect for the psycho-physical and cultural integrity of people, guaranteeing working conditions that respect human dignity and a safe and healthy working environment. Permasteelisa also recognizes its own "social responsibility" in ensuring the basic rights of workers on the job.		Permasteelisa disapproves of the use of any form of coercion against staff, as well as the use of so-called "under-the-table" work.	Each Group company is obliged not to use forced labour, and to respect the working hours required by national legislation in the countries in which its individual subsidiaries operate. Permasteelisa recognizes the right to overtime pay where required by law. As for the Group's Italian companies, employment contracts are governed by the sector's National Collective Labour Agreement. Permasteelisa also does not use any type of coercion or remote control over workers (i.e. internal video surveillance in offices or factories).
5	Global Compact Principle:	BUSINESSES SHOULD UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOUR	
Commitment		Actions	Outcomes
In compliance with the laws of the country in which it operates and with international law, Permasteelisa respects and promotes the abolition of child labour. In the section " Social Responsibility " in its Code of Ethics, Permasteelisa is the guarantor for the protection of basic workers' rights with respect to child labour.		In adopting the Code of Ethics, Permasteelisa Group companies undertake to respect the principle of abolition of child labour for children of non-working age.	Permasteelisa does not hire children of non-working age.

6 Global Compact Principle:		BUSINESS SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION	
Commitment	Actions	Outcomes	
Permasteelisa is also working to ensure equal opportunity hiring, and to act with impartiality towards its employees. This principle finds its inception in its Code of Ethics paragraph 5.3, " Fairness and equal opportunity ".	Permasteelisa formalized internal hiring and personnel management procedures to mitigate the risk of discrimination based on age, race and ethnic origin, nationality, the political opinions, religious beliefs, gender or health status of its employment candidates.	These corporate procedures are applied to all candidates and employees without regard to race, age or gender. Permasteelisa select candidates focusing on the skills of the individual in relation to the job sought. Staff management follows rules established by Staff Regulations and in internal procedures, also without regard to race, age or gender.	
7 Global Compact Principle:		BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES	
Commitment	Actions	Outcomes	
The Group recognizes the environment as a primary asset that must be safeguarded, and undertakes to comply with current regulations regarding environmental protection and conservation, promoting a running of its business centered on the proper use of resources, as set by paragraph 5.9 in the Code of Ethics under " Hygiene, safety and the environment ".	Permasteelisa is committed to reducing consumption of energy and material, especially as regards sources of energy. In order to promote protection of the environment at the forefront, Permasteelisa has installed a photovoltaic/solar energy system at its Italian production site. The purpose of this is to use and transform energy from the sun (a source of non-polluting and inexhaustible energy) as "clean" energy to use for different purposes at its production site.	Lighting management at the company's headquarters is centralized in order to avoid waste, and moreover the lights Management of lighting is centralised in the headquarters to avoid waste of electricity, in addition washrooms have presence sensors. Steps were taken In 2010 for the inclusion of ambient light sensors in open-space offices in order to regulate the output of electric lighting according to the level of sunlight detectable within offices, with the dual purpose of limiting energy consumption and simultaneously improve the working conditions of employees by ensuring that the workplace is always properly illuminated. The photovoltaic system, tested in December 2009, went operational in 2010 with a production on an annual basis of 206,500 kWh, equivalent to a saving of 51.6 TOE, tonnes of petroleum equivalent. In 2011 have been produced 237,600 kwh equivalent to a saving of 59,4 TOE, tonnes of petroleum equivalent. Construction of the plant was carried out according to certain standard power generation prerogatives making use of renewable energy sources, specifically: <ul style="list-style-type: none">▪ electricity production without the emission of pollutants, carbon dioxide and monoxide, etc.;▪ conservation of fossil fuels;▪ no noise pollution;▪ compensation for energy through incentives included in the national Energy Bill;▪ protection of the territory in terms of environmental impact.	

8 Global Compact Principle:

BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

Commitment

Permasteelisa supports initiatives for the promotion of greater energy savings.

Actions

Permasteelisa is committed to reducing the waste and refuse generated during the production process chain. Coordination within the chain's production phases allows for rational management of waste. All scraps are reused through the internal production cycle, or via payment to appropriate external service providers. This methodology has been adopted at all Permasteelisa Group sites.

We also use software that optimizes the use of production materials and therefore reduces waste within production lines. In parallel, we have developed a quality system that aims to reduce non-compliances which, in fact, would produce more waste.

Outcomes

Permasteelisa's commitment to reducing waste and refuse during production is reflected in the following table, where, except for very limited cases, the good performance of Permasteelisa's policy in recent years can be seen.

	2008	2009	2010	2011
methane (m ³)	83,675	49,470	30,530	110,355
isopropyl alcohol (lt)	11,200	13,507	9,455	10,403
RSAU (solid and similar waste) (kg)	106,240	91,220	78,950	97,040
recovery of paper/cardboard (kg)	33,350	51,500	44,940	91,330
scrap iron (kg)	70,200	66,170	60,220	99,110
scrap glass (kg)	52,400	79,700	34,850	47,650
various wood pallets (kg)	171,390	165,190	120,960	207,980

The innovative packaging of cells (the basic unit of a continuous façade) produced using metal pallets, contributes significantly to the waste reduction policy practiced by Permasteelisa. The metal pallets, in fact, can be reused for much longer than wooden ones, and do not produce waste materials.

In 2008, only in Italy, about 0.3 m³ of timber was saved per parcel with a total of 750 tons of wood saved; savings in 2009 were about 800 tons.

In 2010 450 tons of timber was saved, due to a lower production of panels.

Added to these direct cost savings were the indirect costs savings on disposal.

Permasteelisa is equipped with a cogeneration plant for simultaneous and joint production of electricity and heat. This combined use may increase the efficiency of the use of fossil fuels by more than 80%, which corresponds to lower costs and lower emissions of pollutants and greenhouse gas emissions, compared to separate production of electricity and heat.

A cogeneration system with thermal and electrical processes of production requires 35% less fuel than the configuration of separate production of electricity and heat.

Permasteelisa is investigating a series of initiatives aimed at the digitization of all requests for authorization permits, vacations, travel, company cars etc., which currently occurs using paper formats. In addition to speeding up and securitizing procedures, the goal of this is to reduce the use of paper and toner.

In 2011 470 tons of timber was saved.

- The use of the cogeneration plant continues to be a source of considerable energy savings. The following table shows results obtained in recent years.

year	Energy savings (primary energy) TOE/€	electricity to the national grid €
2008	144TEP / 85,000 €	50,000 €
2009	132TEP / 105,000 €	105,000 €
2010	128TEP / 98,000 €	38,000 €
2011	138 TEP/ 93,000€	27,000€

In 2011, the facility will undergo renovation activities that will extend its useful life by 8 to 10 more years.

In 2011 Permasteelisa continued to pay particular attention to the environment by maximizing the use of recycled, environmentally friendly, FSC-certified and PET-derived materials for the printing of all institutional communication materials and advertising, such as the financial statements, the Code of Ethics, brochures, promotional bags, etc., and for various materials distributed to employees.

9 Global Compact Principle:

BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Commitment

Permasteelisa recognizes the importance of research and development regarding the environment. For this reason Permasteelisa has funded projects to encourage energy saving.

Actions

Permasteelisa is active in the development of new, eco-friendly technologies.

Outcomes

Permasteelisa's research and development activities continued during 2010, concentrating particularly on a range of initiatives, some of which began in previous years, to improve energy efficiency and renewable sources.

1. Organic photovoltaic cells

In partnership with ERG Renew (ERG Group), Permasteelisa initiated a project in 2008 for production of solar panels that, thanks to the combined action of an organic dye and nano particles of titanium dioxide, convert light – diffused or direct – into electricity.

In 2009 a consortium was formed to develop the project and the testing phase began.

Project partners are the Tor Vergata University of Rome, the Ferrara University and the Turin University, which will focus on research. Another, industrial partner, is the

Australian company Dyesol, via its subsidiary Dyesol Italia.

In 2010, the design phase began in an industrial building, where the first experimental panels will be produced.

In 2011 the engineering technology of prototype and production line were completed.

2. Renewable energy

- After application of BIPV – Building Integration of Photovoltaics – on certain projects of one of the Group's subsidiaries, Scheldebouw B.V., Permasteelisa S.p.A. acquired the Intesa San Paolo Turin project in 2010, where it is required to install a photovoltaic system on the front face of the building for a total production of about 200 kW.

In 2011 beginning the production of the exteriors façades for the Intesa San Paolo Turin project .

- Research continues on:

- the EPBD project (Energy Performance of Buildings Directive), dedicated to designing energy-efficient buildings (class A according to European standard); and
- integration of air conditioning systems within the façade.

3. Sustainable design

Furthermore, the Permasteelisa Group continued in 2011 to promote the development of sustainable design of buildings, intelligent façades for the largest projects in the world that, in addition to meeting the demands of increasingly futuristic architects, are able to filter light, reduce sound pollution, and recuperate solar heat to provide air conditioning in summer and heating in winter, etc.

The areas of interest in the sustainable design of buildings primarily involve:

- **protection and safety** within the buildings, including against explosives, fires and earthquakes;
- **energy savings and comfort;**
- **design and new materials**, composites or polymers with low embodied energy, high thermal efficiency and the ability to be recycled.

10	Global Compact Principle:	BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY	
<p>Commitment</p> <p>Permasteelisa establishes, in its Code of Ethics, the principle of impressing upon stakeholders relationships that are honest, fair, and have integrity, transparency and mutual respect.</p> <p>Honesty and transparency are fundamental principles in all Group activities and are essential elements in business management, as in the twelfth Ethical principle of "Honesty and fairness", paragraph 5.2.</p> <p>Regarding relationships with the Public Administration, in its Code of Ethics Permasteelisa states that all relationships between the Group and public institutions are arranged by associates entrusted for this purpose, and are based on the principles of lawfulness, fairness, transparency, cooperation and non-interference, with respect to their mutual roles. The Group does not exchange money or other means of payment with public officials to influence activities they perform as their official duties, neither directly nor through intermediaries. Gifts, favours or conduct towards government representatives, public officials and public employees that are not transparent are not allowed, as stated in the Code of Ethics paragraph 6.4 "Public administration and public institutions".</p>		<p>Actions</p> <p>The principles of honesty and fairness enshrined in the Code of Ethics constitute a commitment by the company to refrain from illegal conduct.</p> <p>For example, Permasteelisa Spa and Permasteelisa Interiors Srl have approved respective Organizational Management and Control Models pursuant to Legislative Decree 231/01 in order to promote business activity in accordance with national laws and legislation.</p> <p>The application of these Models is overseen by the Supervisory Board of both companies through audit tests.</p> <p>In the framework of Law 231/01 (which established administrative liability of the bodies), Permasteelisa managers are trained to be the main guarantors of absence of forms of corruption, and in their ability to prevent these forms.</p> <p>Permasteelisa has established the principle of separation of duties. Payments are all recorded in its computer system and must be authorized by someone other than the people who managed the billing process, and provided with specific proxies.</p>	<p>Outcomes</p> <p>Organization and Management Control Models provide, amongst other elements, a set of rules and controls to prevent the risk of corruption offences.</p> <p>The adoption of these models by Permasteelisa employees and managers was encouraged and assisted by various training courses, and then verified using specific audit tests</p>