



UNITED NATIONS GLOBAL COMPACT
**COMMUNICATION
ON PROGRESS**

2015



**PERMASTEELISA
GROUP**

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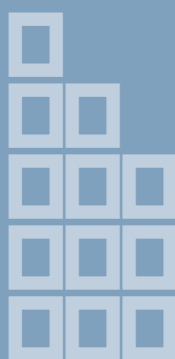
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Vittorio Veneto, 27.06.2016

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.

In this our seventh annual Communication on Progress we provide an index to our performance with cross-references to the related GC principles in 2015.


Riccardo Mollo

CEO Permasteelisa S.p.A.

Contact: Luca Gavardi

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THE PERMASTEELISA GROUP

Permasteelisa Group is a worldwide leading Contractor in **engineering, project management, manufacturing and installation of architectural envelopes and interior systems**. The Group brings its Know-How and expertise to all projects, in particular when dealing with **Special Features Buildings**, beginning with the design development phases all the way to the successful completion, achieving the customer's expectations.

Permasteelisa's history goes back to 1973 in Italy, Vittorio Veneto. During '80s and '90s the Group started an international expansion in the Australian, European, Asian and US markets. Since 2015 Permasteelisa Group has been at the core of the Business Unit **Building Technology** of LIXIL Corporation. Today, Permasteelisa is a global integrated Group present in four continents with a network of over 50 companies in more than 30 countries, generating a total turnover of around **1.5 billion euro a year**. The Group employs around 6,000 people worldwide in its Engineering & Design centres and in the 11 manufacturing plants equipped with the most modern and advanced technologies.

The mission of the Permasteelisa Group is to design and build innovative and avant-garde architectural works **alongside the world's greatest in contemporary architecture**, by using **advanced technologies** and **eco-sustainable solutions**. The **quality** of our architectural envelopes and interiors is guaranteed by our **rigorous quality control system**. Besides, it's constantly improved through **R&D in new design and construction technologies** and through the use of **innovative materials**. The use of **environmentally friendly materials** and **eco-sustainable processes**, and our commitment in energy saving, protect the environment and make the buildings themselves more comfortable and efficient.

Among Permasteelisa Group's projects are some world-renowned contemporary architectural works, such as the Sydney Opera House (the first building to make extensive use of the curtain walls), the Eight Spruce Street (a.k.a. Beekman Tower) in NYC, The Shard and 20 Fenchurch Street in London, the revolutionary Guggenheim Museum in Bilbao, the extraordinary Walt Disney Concert Hall in Los Angeles and the Museum of Modern Art in New York.

OUR BRANDS



BUSINESS UNITS

EXTERIORS



Manufactures architectural envelopes for signature landmark buildings throughout the world, applying constant innovation through advanced technologies.

CONTRACT



Performs EPC projects in different construction sectors from Civil to Residential, maintaining high quality standards while meeting clients' demanding schedules.

INTERIORS



Benefits from the global size of the Permasteelisa Group in the interaction with international clients on a wide variety of projects, from unique custom showpieces to comprehensive commercial undertakings.

OUR VALUES



Work with Respect

As a global company, we strive for open and honest communication with everyone, internally and externally. We value diversity and respect people from different backgrounds and treat everyone equally with meritocracy. We always act with unquestioned integrity.



Deliver on Commitment

We “act like owners” to create value for everyone that touches our business. We set ambitious targets which we are committed to achieving. We are accountable for decisions, actions and results.



Embrace Quality

We are committed to having our customer enjoy a positive experience in every aspect when interacting with us. We are committed to the highest quality products and solutions. We take a Kaizen approach to continuously improving our knowledge, products and processes.



Inspire Passion

We dare to dream big and seek to transform ourselves, our industry and customers experience. We push ourselves to stretch beyond our commitments to exceed expectations. We pursue excellence in everything we do and reward a “Can-do” attitude.



Pursue Growth

We are striving for growth and innovation. We consistently invest in the growth of our leaders and their teams. We are willing to embrace change and risk with speed in a thoughtful, informed and appropriate way.



For more information: www.permasteelisagroup.com



HUMAN RIGHTS

1 BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

COMMITMENT

Permasteelisa Group recognizes the role of business community in supporting and respecting human rights, that is not to infringe human rights in the context of their own activities and their business relationships. At this purpose Permasteelisa S.p.A. Board of Directors approved on April 2015 the new Code of Conduct for the Group, which fully replaces the previous Group Code of Ethics given out from 2007. The purpose of the new Code, drafted in joint participation with all LIXIL Group companies, is to trace a common line in order to operate according to shared principles of **integrity, ethics** in business activities, **respect** in the workplace, **proper use** of corporate assets and contribution to society (**social responsibility**).

The Code of Conduct guides anyone involved with the Group in the appropriate way to do business worldwide. The Group Code is a common set of rules for the LIXIL Group members' business activities, to be strictly followed by all of the group members, with the goal of achieving strict compliance and internalization of ethically sound attitudes and behaviors.

The Code is intended to be used by anyone involved with the Group by virtue of any form of employment or collaboration relationship; therefore, it is the responsibility of all employees, managers and collaborators of the Group to comply with the principles and policies of the above-mentioned document in running the business and managing relationships, by promoting its disclosure and actual implementation. Permasteelisa Group business partners, including suppliers, service providers and distributors are also required to share the rules described in the Code.

The core principles of the Code, inspiring the management of its business, are cited in the following:

"Diversity and inclusion" - Code of Conduct par. 3.1

The Group values diversity and equal opportunity in the workforce. The Group provides equal employment opportunity for all applicants and employees. In the Group employment processes, the decisions are made without considering race, colour, religion, national or ethnic origin, ancestry, age, disability, gender, pregnancy, marital status, sexual orientation, gender identity or expression, political or personal belief, union membership or any other characteristics protected by local laws and regulations. These principles extend to all employment decisions including recruiting, training, evaluation, promotion and rewards.

The Group also makes reasonable accommodations for employees and applicants with disabilities, and complies with all local laws protecting disabled employees.

The Group respects the diverse religions and traditions of the employees around the world and strives to make reasonable accommodations, to the extent permitted by local laws, for religious practices.

"Human rights" - Code of Conduct par. 3.2

The Group supports and respects the protection of internationally proclaimed human rights and will ensure that are not complicit in human rights abuses.

The Group recognizes the importance of maintaining and promoting fundamental human rights everywhere it works and does business, including in its supply chain.

The Group is committed to upholding the freedom of association and the effective recognition of the right to collective bargaining. All employees have the right to freely form and join groups for the promotion and protection of their employment interests to the extent permitted by law. The Group also complies with laws and regulations concerning privacy, immigration, working time, wages and hours, as well as, laws prohibiting forced, compulsory and child labor, trafficking in persons and employment discrimination.

"Anti-harassment" - Code of Conduct par. 3.3

The Group seeks to provide a work environment that is free from discrimination, harassment and bullying of any kind and any other offensive or disrespectful conduct. Harassment could be in the form of unwelcome verbal, visual, physical or other conduct that creates an intimidating, offensive or hostile work environment.

1.2.

The Group does not tolerate sexual harassment of any kind against any employee, such as unwanted touching, sexual or lewd language and sexual coercion. Everywhere the Group operates, is expected to treat one another with respect and dignity and to speak up if the employees have been a victim of or have witnessed discrimination, harassment or bullying. The Group does not allow retaliation against anyone for raising a complaint in good-faith of discrimination, harassment or bullying.

“Health and safety at workplace” – Code of conduct par. 3.4

The Group is committed to providing a healthy and safe workplace for employees, customers, visitors, contractors, vendors and others on our property. The Group complies with the health and safety laws and regulations, standards, guidelines and related requirements that apply to our business. The Group does not tolerate violence of any kind, whether explicit or implicit, physical or mental, including threatening behaviour, physical intimidation, coercion and acts of physical violence. The Group does not work under the influence of alcohol or any substances that may impair the own ability to work safely and does not process, sell, use, transfer or distribute illegal drugs or controlled substances.

“Suppliers” – Code of Conduct par. 1.3

(...omissis....) As part of the supply chain, the suppliers the Group chooses must, among other things, comply with anti-corruption and antitrust laws, obey laws that require them to treat workers fairly, provide a safe and healthy work environment and protect environmental quality. The quality of the Group products and commitments to the environment and human rights are at stake. The Group Entities have procedures to review suppliers’ qualifications and to use objective selection criteria.

“Privacy” – Code of Conduct par. 4.4

The Group protects the personal information of its stakeholders. The Group holds and processes a variety of personal data of customers, business partners, employees and other individuals. Each LIXIL Group Entity fully complies with privacy laws that are in effect in the countries where operate, as well as the LIXIL Group’s data privacy policy and all other relevant guidelines and procedures. The Group ensures that personal data held and processed are:

- Fairly and lawfully obtained;
- Processed only for limited or stated purposes;
- Adequate, relevant and not excessive;
- Accurate and, where necessary, up to date;
- Not kept for longer than is necessary;
- Processed in accordance with applicable laws;
- Held securely pursuant to organizational, personal, physical, and technical requirements.

Moreover, Permasteelisa Group Companies are committed to improve the health and safety of the workers in compliance with the sector regulations of each Countries. At this scope a Group Quality Assurance and Sustainability Director has been nominated. In the Permasteelisa Group web site www.permasteelisagroup.com/sustainability/health-and-safety is clearly defined the **Health & Safety Policy**, signed by the Permasteelisa Group CEO on February 2013, and the statement is here below reported:
“As per Zero Tolerance - Safety Policy Statement
We are committed to preventing accidents and injuries. No injury is acceptable to us. Injuries are not an inevitable part of doing business. We firmly believe that incidents and injuries are unnecessary and can be avoided.
From estimating, design and engineering, project management, manufacturing, to site/field installation, safety cannot be an afterthought.
We aim to set and maintain standards of health, safety and environmental performance across the Group which will ensure the health and safety of our employees at work and the health and safety of others who may be affected by our operational activities.
To enable us to do this we have set the following objectives:
Committed and active Leadership - *We will provide visible leadership, leading by example and considering the health, safety and environmental implications of all our strategic decisions.*
Compliance - *We will, as a minimum, comply with all relevant health, safety and environmental legislation and industry standards wherever the Group has a presence.*
Improvement - *We will ensure continual improvement.*

Consistency - *We will establish and maintain transparent and effective safety management systems and minimum operational standards for the good management of health, safety throughout the Group and engage all our employees.*
Accountability, responsibility and competence - *We will define and communicate everyone`s health and safety responsibilities and required competencies clearly.*
Monitoring - *We will monitor our health, safety performance and review our system for managing performance regularly.*
Risk assessing and controlling - *We will ensure that risks to the health, safety of our employees and others who may be affected are properly assessed and controlled, including our contractors and suppliers.*
Education and training - *We will consult our employees and ensure that competent advice and suitable training and resources are made available to assist them in performing their duties to promote health and safety.”*

In order to comply with this statement a document called **“Group Health and Safety management standard”** was issued. The document sets the rules that the subsidiaries have to follow.

ACTIONS & OUTCOMES

In the following the details of some actions taken by Permasteelisa Group in the subsequent matter:

1. **Health & Safety at work**
2. **Privacy**
3. **Code of Conduct**
4. **Conventions & Benefits**
5. **Training projects**

Please note that this list is a sample of activities improved in 2015 and it is not exhaustive.

1. Health & Safety at work

For **Health & Safety at work** here below are described the actions set in place at Group level. Permasteelisa S.p.A.’s corporate management considers that occupational health and safety is an aspect of strategic importance within the correct operating and planning of the resources employed and respect of a human being in all its meaning.

For that purpose the management has activated an occupational health and safety 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. 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 occupational health and safety.

In 2014 Permasteelisa S.p.A. started to implement a health and safety management system according to the international standard BS OHSAS 18001:2007. The process ended in April 2015, with the issue of the certificate.

For example, other subsidiaries of Permasteelisa Group are BS OSHA 18001:2007 certified: Scheldebouw BV, Permasteelisa North America Corp., Permasteelisa Pacific Holdings Ltd., Josef Gartner Curtain Wall (Shanghai) Co. Ltd., Dongguan Permasteelisa Curtain Wall Co. Ltd., Global Architectural Co. LTD, Permasteelisa Projects Thailand.

During 2015 a Group wide initiative, nominated **“World Class Safety Project”**, started, in order to assess the entirety of the operations and benchmark the maturity of the organizations safety culture with individual surveys. The project has the desire to rapidly improve the safety performance, with an ambition to create World Class Safety within Permasteelisa Group. Safety is a core value for Permasteelisa Group and it is committed to preventing accidents and injuries from estimating, design and engineering, project management, manufacturing, to site/field installation.

The objective is to set and maintain standards of health, safety and environmental performance across the Group which will ensure the health and safety of the employees at work and the health and safety of others who may be affected by the operational activities. The project has three fundamental reasons:
1) The People come first. The employees safety and that of the subcontractors is our greatest responsibility.

2) It's the law. Permasteelisa Group has a duty to diligently comply in good faith with the local laws and regulations governing safety. These are the minimum which must be adhered to. The aim is to comply by setting a high standard of employees and projects.

3) It makes good business sense. Losses directly affect the ability to be competitive. Permasteelisa Group must always have a plan for success in safety.

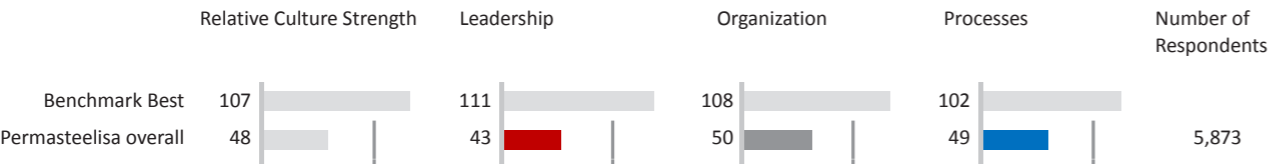
5,873 individual surveys have been collected touching all levels of the company and across the entire Group. Many of the employees also participated in one-on-one and small group interviews.

The infographic below explains at a high level the primary findings of the safety perception survey as well as some insight into the mind of the people. The findings are based on external Expert's 12 foundational elements of Operational Excellence. These are organized into three dimensions; *Leadership, Organization, and Processes*, for which the external expert has given a score.

Permasteelisa Group has progressed to a level of safety culture maturity that can be described by the External Expert model as "Dependent," with a "Relative Culture Strength" score of 48.



External Expert's 12 foundational elements of Organization Culture Maturity and Operational Excellence

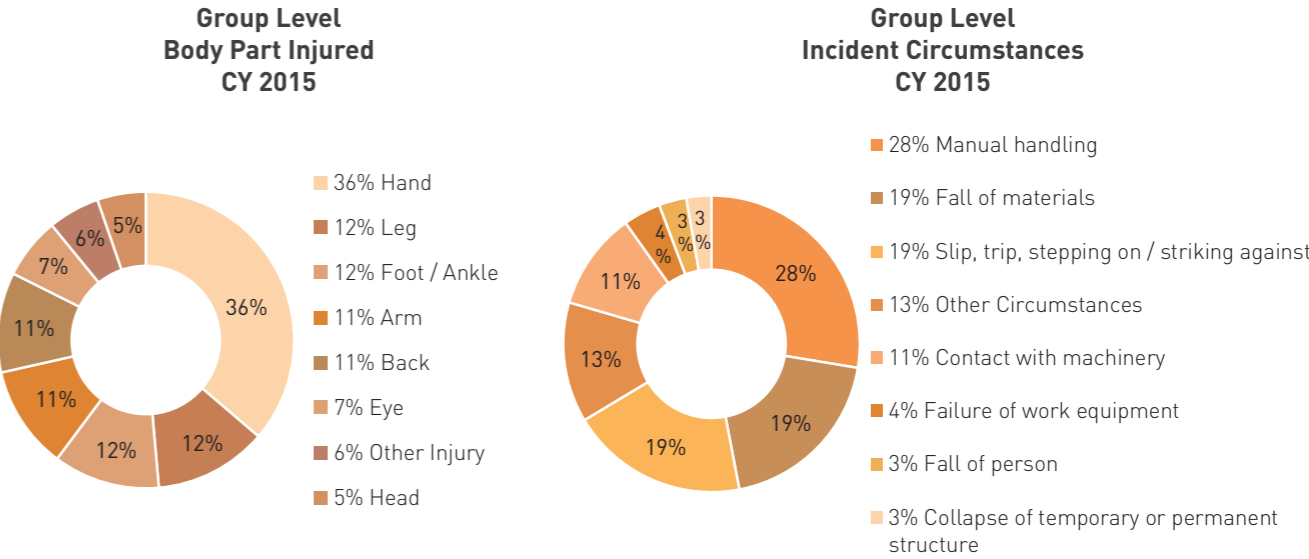
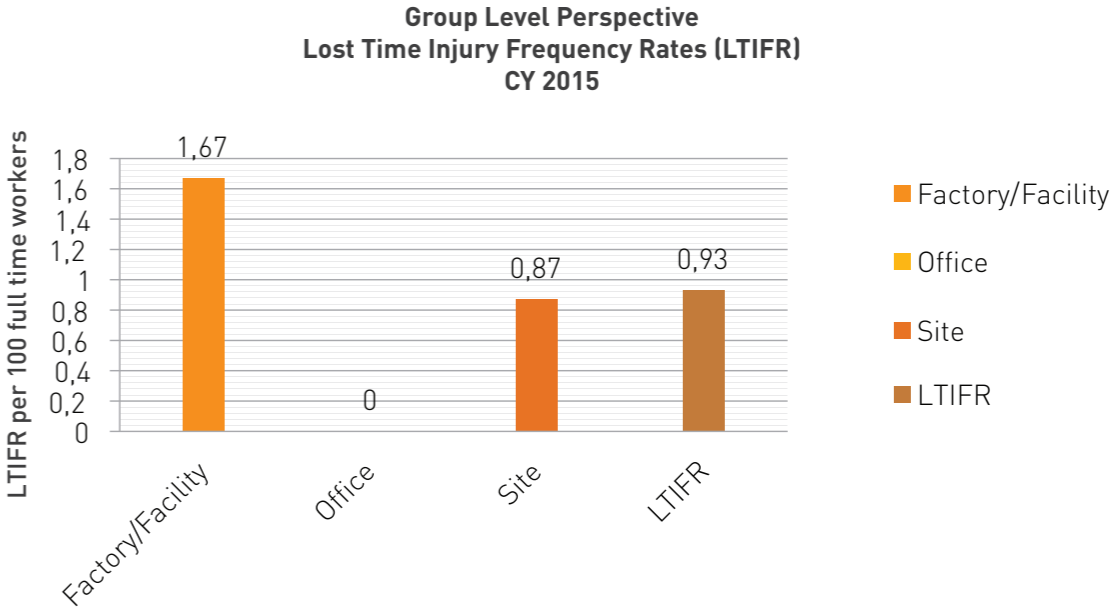


Relative Culture Strength

Here below, it's illustrated a report for the Loss Time Injury Frequency Rates at Group level. The data used for reporting includes the combination of Permasteelisa and Subcontractor hours and injuries. At this time, subcontractor injury and hours worked data is not separated from Permasteelisa. The formula for the Injury Rate Calculation is the following:

$$\left(\frac{\text{Number of Lost Time Injuries (LTI)}}{\text{Total Hours Worked}} \right) \times 200,000 = \text{Lost Time Injury Frequency Rate (LTIFR)}$$

A Lost Time Injury Frequency Rate [LTIFR] of 0,93 means that 0,93 of the population suffered a work injury with doctor prescribed time off work.



2. Privacy

For **Privacy** here below are described the actions set in place at Group level. Also during 2015 the subsidiaries of Permasteelisa Group operated in compliance with the privacy local laws and with the rules of the Group Code of Conduct.

As example:

PERMASTEELISA S.P.A.

Permasteelisa S.p.A. protects the personal data of its employees. The processing of the employees' personal 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.

PERMASTEELISA FRANCE S.A.S.

Personal data of the employees, clients and suppliers are protected according to the French law and managed in the network by the IT department.

PERMASTEELISA GARTNER MIDDLE EAST LLC

The company records the data in the IT system. Nobody can enter in the system except the IT manager, the Top Managers and the authorized people for specific sectors (HR, Procurement Manager, etc.).

JOSEF GARTNER GMBH AND GARTNER SWITZERLAND AG

All applicable data protection guidelines and rules are obeyed. Data requests from Permasteelisa Group are regularly screened for legal compliance.

BLEU TECH MONTRÉAL INC.

Physical files are kept under lock and electronic files are kept in restricted access folders accessible only to concerned personal.

GLOBAL ARCHITECTURAL CO. LTD.

For personal data: normally HR department will setup personal data and authorize only some related level/ position to access their file such as the payroll officer will be allowed to know employee's salary only.
For suppliers: the company never shares their details to the third parties. Their personnel data will be kept in SAP and only two departments (Account & Purchasing) are allowed to get the information. Some related information such as how much the company owes to suppliers will be kept in the N drive and allows only selected key positions to access this drive. The Company will not share this information to any third parties if not permit from the Company.
For client: contract of each project with client and other information will be kept in the N drive and allow only selected key positions to access this drive. The Company will keep the confidential of their information by not sharing to the third parties without permission from the Company.

PERMASTEELISA PROJECTS THAILAND

Personal data on employees are maintained and controlled by Human Resources department.
Personal date on clients and suppliers are restricted only to authorized staff and managers. The data are stored in specific locations in the main office accessible only by key operatives.

JOSEF GARTNER CURTAIN WALL (SHANGHAI) CO. LTD.

All employees signed to acknowledge receipt of 'Confidentiality Agreement' and 'Code of Conduct', and accept the principles contained and respect them in the business. The company gave briefing and/or orientation to employees on contents of 'Confidentiality Agreement' and 'Code of Conduct'.

3. Code of Conduct

For **Code of Conduct** here below are described the actions set in place at Group level.

During 2015 the subsidiaries of Permasteelisa Group has started to spread the Code of Conduct to the employees, the clients and suppliers. Moreover training sessions have been organized in order to improve the knowledge of the contents.

As example:

PERMASTEELISA S.P.A.

The Company has distributed the Code of Conduct to all employees and signed. It has been also distributed to the clients at tender stage and attached to all contracts for suppliers and subcontractors.

PERMASTEELISA ESPAÑA S.A.U.

The Code of Conduct was spread for all employees. The distribution of the Code of Conduct to suppliers and clients is in progress.

PERMASTEELISA U.K. LTD.

The Company has distributed the Code of Conduct to all employees, moreover encouraged the spreading of the Code to clients and suppliers.

PERMASTEELISA NORTH AMERICA CORP.

The Company has distributed the Code of Conduct to all employees. 98% of the personnel have also completed the training to date.

PERMASTEELISA PACIFIC HOLDINGS LTD.

All staff attended Code of Conduct training, either online or through instructor-led training. To emphasize the importance of corporate governance and core values as a guiding principle, all new staff attend the training as part of the orientation program.
Every cost proposal submitted to the clients has the Code of Conduct included as an attachment.

GLOBAL ARCHITECTURAL CO. LTD.

The Company has spread the Code of Conduct to employees via online mail link and also by training to all workers A total 90% of all employees was trained.

4. Conventions & Benefits

For Conventions & Benefits, please note that this list is a sample of activities improved in 2015 detailed per subsidiary and it is not exhaustive.

PERMASTEELISA S.P.A.

For the purpose of supporting and respecting the protection of internationally proclaimed human rights and to guarantee the economic livelihood of its employees, Permasteelisa S.p.A. set in place the following actions and agreed some conventions in their interests, for example:

- Crèche service:
The Company 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 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, whit the possibility to split the insurance rate in the monthly payslip.
- Other conventions:
 - Canteen: Permasteelisa pays full cost of the noon meal for all its employees who carry at least 6 working hours per days. The canteen is located in the industrial area of Vittorio Veneto, where the company is settled.
 - Gym: special discounts for Permasteelisa S.p.A. personnel.
 - Car rental: special discounts for Permasteelisa S.p.A. personnel with three leader car rental companies.
 - Medical centre: special discounts for Permasteelisa S.p.A. personnel.
- “Prevenire è vita”:
Permasteelisa S.p.A. initiated a prevention project “Prevenire è Vita” in November 2008 providing a totally free anti-tumour Check-up for the employees. A specialist visit was arranged with a staff of doctors who prescribed personalised individual diagnostics based on the age and sex of the employee. This prevention program finished at the end of 2012 with the participation of about 80% of the employees.
In 2013, started a new prevention project named “Prevenire è vita vale doppio” (Prevention is life, double) in favour of the employees that includes, besides anti-tumour Check-up, the cardiovascular screening. The completion of the check-up program is scheduled at the end of 2016. At the end of 2015 the total number of attendees reached 463 out of 563 acceptances (82%).
- Anti-influence vaccination:
Permasteelisa S.p.A. also in the 2015 offered the possibility of having a free anti-influence vaccination to all its employees.

PERMASTEELISA ESPAÑA S.A.U.

The Company provided:

- Canteen: meals for the employees and the relevant costs were covered by the Company.
- Health insurance: covered by the National Health Service (paid mainly by the company) - for common illness and for professional illness/professional accidents.

PERMASTEELISA FRANCE S.A.S.

The Company provided:

- Canteen: a canteen is arranged at the main office with costs partially covered by the Company. For employees on sites and/or outside the office, costs are also covered by the Company, according to the French labour law.
- Health insurance: all employees have health insurance (by French law), plus an additional coverage partially paid by the Company.

PERMASTEELISA GARTNER MIDDLE EAST LLC

The Company provided:

- Health insurance: the insurance covers the most important illnesses, hospitalizations and pregnancy.
- Medical Services.

RI ISA D.O.O.

The Company provided:

- Health insurance: as legally binding according to Croatian laws, 15% on the gross salary.
- Pension fund: the company is paying additional individual voluntary pension fund for each employee.

JOSEF GARTNER GMBH AND GARTNER SWITZERLAND AG

The Company provided:

- Canteen: subsidized by Company.
- Mandatory social contributions including health coverage.

SCHELDEBOUW B.V.

The Company provided:

- Canteen: the prices for items in the canteen are heavily discounted by the Company.
- Health insurance.

PERMASTEELISA NORTH AMERICA CORP.

The Company provided:

- Medical plan.
- Dental and vision healthcare.

BLEU TECH MONTRÉAL INC.

The Company provided:

- Health insurance: medical, paramedical, dental, long term disability, etc.
- Other conventions: the Company negotiated preferred rates with local ski centre.

PERMASTEELISA PACIFIC HOLDINGS LTD.

The Company provided:

- Insurances to the employees such as Life Insurance, LivingCare, Hospitalization and Surgical, Outpatient Specialist, Personal Accident Coverage, Business Travel Coverage.
- Other conventions for the promotion and supporting of healthy lifestyle.

GLOBAL ARCHITECTURAL CO. LTD.

The Company provided:

- Canteen and food allowance.
- Dental care service. The Company has two dental clinics nearby in contact to allow employees to get teeth treatment payed by the Company.
- Health insurance for all employees.

PERMASTEELISA PROJECTS THAILAND

The Company provided Health insurance for all employees.

PERMASTEELISA (INDIA) PVT

The Company provided:

- Canteen: the cost is covered by the Company.
- Health insurance: it has been arranged a special agreement which allow the employees to cover with an additional amount (paid by their self) their family too.

PERMASTEELISA JAPAN K.K.

The Company provided mandatory health insurance to all employees.

PERMASTEELISA HONG KONG LIMITED

The Company provided:

- Health Insurance: three levels of medical plan depending on seniority have always been provided to all staff.
- Pension Scheme for all staff.
- Social occasions, lunches and dinners, parties, BBQ Community services for Charity.

DONGGUAN PERMASTEELISA CURTAIN WALL

The Company provided:

- Canteen and the cost is covered by the Company.
- Health insurance: the Company bought medical insurance for every employees and also bought social insurance to employees and high business insurance for foreign employees.
- Bank convention: the Company negotiated with bank to allow employees to apply credit card with higher lines.
- The Company negotiated with Taixin and Kangyi Hospitals a convention for the employees.

JOSEF GARTNER CURTAIN WALL (SHANGHAI) CO. LTD.

The Company provided Life and Medical Insurance to all employees.

PERMASTEELISA PHILIPPINES INC.

The Company provided:

- Insurances to the employees such as Life insurance, Accident insurance, Health insurance;
- Dental package for employee;

The Company is also trying to negotiate improvement on the health insurance package of the employees and to include vaccination at a lower price in the package.

5. Training projects

For **Training projects** here below are described some actions set in place at Group level developed in 2015.

Permasteelisa Training Academy (PTAc)

Permasteelisa Training Academy (PTAc) is dedicated to the development of technical training programmes for human resources of the Permasteelisa Group. Permasteelisa Group is a “Learning Organization” and its Companies aim to support employee performance and continuous improvement by facilitating the acquisition of technical information and the development of personal skills and knowledge. Permasteelisa Group believes in giving to every employee the opportunity to acquire the knowledge and skills necessary for personal growth and the future progress of the Group. The Academy aims to centralize the corporate knowledge asset, formulating an agreed training standard methodology, in order to support knowledge sharing and the exchange of information within the Group. As example, a technical training offered at Group level during 2015 is referred to “PMF”. Here below is summarized the total of attended employees divided per geographic area:

	Asia	America	Europe & Middle East
TOTAL	124	16	32

In 2015 the different subsidiaries developed the following training projects, please note that this list is a sample of improved activities and it is not exhaustive.

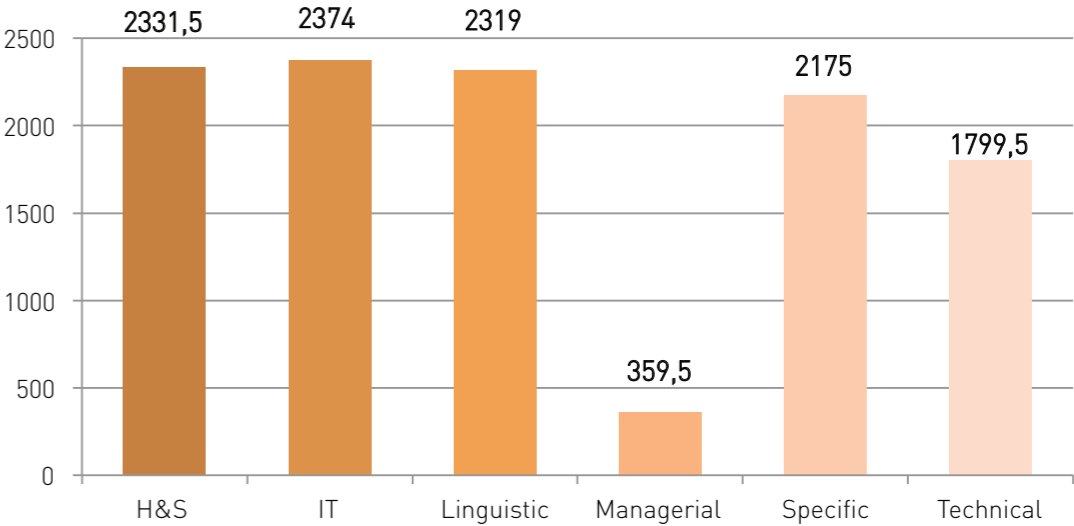
PERMASTEELISA S.P.A.

Permasteelisa S.p.A. invests on a continuous training for its employees supporting their professional growth through a lifelong learning path. The activities of “**Learning & Education**” provided during 2015, continue to be so decisive within the Company.

Summarizing, about 11360 hours of training were achieved in 2015, for a total amount of 604 employees involved in one or more training sessions. Here below the details:

Fig. no. 1/2 - 2015 Training hours

TYPE OF TRAINING	HOURS
H&S	2.331,5
IT	2.374
Linguistic	2.319
Managerial	359,5
Specific	2.175
Technical	1.799,5
TOTAL TRAINING HOURS	11.358,5



During 2015 the training actions followed different paths:

H&S Training - Permasteelisa S.p.A. periodically organizes training courses in relation to the matters of prevention, protection and safety at work. Specific courses were proposed to the employees, for example:

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

In 2015, 2.331 hours of Healt&Safety training courses have been issued, representing the 21% of the total training hours and involving 447 employees.

IT Training - Extremely important and crucial for business operations is both the generic use of the computer and the several programs used on a daily basis in addition to the more specific and technical development. For these reasons Permasteelisa S.p.A focuses on the IT training related to specific programs, such as “SAP”, “INVENTOR”, “EXCEL”, “BIM”, “PMF” and many others.

In 2015, 2.374 hours of IT Training course have been issued, representing the 21% of the total training hours and involving 109 employees.

Linguistic Training - A worldwide Company focused on the global market as Permasteelisa, needs to invest in the language skills of its employees, especially by offering courses in English and French.

In 2015, 2.319 hours of linguistic training course have been issued, representing the 20% of the total training hours and involving 180 employees.

Managerial Training - Managerial training has played a key role within the company. The increase in soft skills and the management of change are the main needs for role models and responsibilities. In fact, the courses addressed by Permasteelisa S.p.A. to the managers focused on topics such as "Change Management", "The Meeting Management", "The performance appraisal" and Coaching.

In 2015, 359,5 hours of managerial training course have been issued, 3% of the total training hours and involving 63 managers.

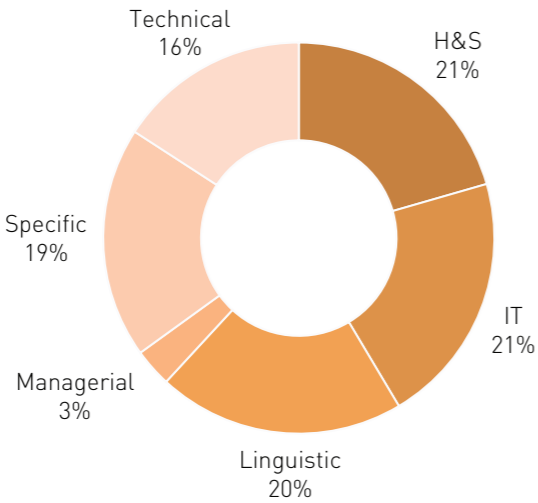
Specific Training - Being specific means knowing; knowing means being able to be one step ahead of those who are not updated and specialized. This is why the investment on specialist training courses has been substantial and oriented to the improvement of the already excellent areas and standards.

In 2015, 2.175 hours of specific training course have been issued, representing the 19% of the total training hours, involving overall 325 employees.

Technical Training - During 2015 it has strengthened considerably the project of development of the technical skills required to operate effectively and to ensure the achievement of business objectives. The excellence of the quality product should be the basis of Permasteelisa's S.p.A. efforts and this can be reached only through a continuous and proactive technical update.

In 2015, 1.799,5 hours of technical training course have been issued, representing the 16% of the total training hours, involving overall 208 employees.

Fig. no. 3 - 2015 % of Training hours for type



Moreover, during 2015 Permasteelisa S.p.A. organized, in collaboration with some major Italian Universities, including Biomedical University of Rome, Polytechnic University of Milan and University of Udine, the Campus project, with the aim to respond to the Company needs, through the placement of brilliant young graduates in Engineering and Architecture.

Two different educational paths have been carried out for the recruitment of the so-called "entry-level" resource:

- **Master in PROJECT MANAGEMENT:** Managing complexity - 18 students, who followed about 500 hours of classroom training and 250 hours of internship inside the Company;

- Non-University **Master in DESIGN:** designing complexity - 15 students, who followed about 500 hours of classroom training and 250 hours of internship, which in 2015 involved.

Through these paths, participants had the opportunity to follow a broad theoretical and practical learning plan, intended to obtain technical skills and management competences for developing complex projects in a national and international field.

The total classroom training hours were approximately 16.400, while 8.000 were the hours spent "on the job" supporting Permasteelisa employees.

PERMASTEELISA ESPAÑA S.A.U.

During 2015 the Company provided the following training actions:

- Linguistic training - for a total amount of 640 hours.
- Specialist environment training - for a total amount of 580 hours.
- Specialist quality training - for a total amount of 360 hours.
- Health & Safety training - for a total amount of 366 hours.

PERMASTEELISA FRANCE S.A.S.

During 2015 the Company provided the following training actions:

- Linguistic and management training - The Company has organized approximately 200 hours of training, mainly for languages (Italian and English) and management/leadership. The number of employees having done a training course is around 25%.
- Health & Safety - A monthly meeting was organized with all site managers and project managers. The agenda was mainly to give a feedback of the safety referent person about all site visits and events occurred, but included also a special point, in order to train and build awareness on highlighted topic (scaffolding, relationship with general contractor...).

PERMASTEELISA GARTNER MIDDLE EAST LLC

During 2015 the Company provided the following training actions:

- Specialist training on Design, 3D, operational budget for projects.
- Health & Safety training for 100% of the employees working in the factory.

RI ISA D.O.O.

During 2015 the Company provided the following training actions:

- Course on welding for a total amount of 8 hours.
- Course on PMF for a total amount of 48 hours.
- Presentation by silicone supplier for a total amount of 4 hours.
- Presentation by equipment for building supplier for a total amount of 4 hours.
- Course on stainless steel for a total amount of 8 hours.
- Health & Safety course for new employees.

PERMASTEELISA U.K. LTD.

During 2015 the Company provided the following training actions:

- Relevant vocational training on applications, relevant Law and regulations, contracts, etc...
- Safety inductions for all new staff. The company had regular weekly toolbox talks on site for all the installation labour.
- Site management safety training for all Construction and Installation Managers.
- Safety training for specific equipment and machinery.

JOSEF GARTNER GMBH AND GARTNER SWITZERLAND AG

During 2015 the Company provided the following training actions:

- Multiple training sessions to both comply with legal requirements as well as staff qualification.
- Safety training.

SCHELDEBOUW B.V.

During 2015 the Company provided the following training actions:

- First aid training.
- Linguistic training.
- Contractual awareness training.
- Team building training.
- Health & Safety training to different level of personnel some in external courses and some in task risk assessment with a participation of circa 25% of fixed personnel.

PERMASTEELISA NORTH AMERICA CORP.

During 2015 the Company provided the following training actions:

- Linguistic training (english as a second language) for a total amount of 15 hours.
- Health & Safety training:
 - OSHA 10 (Safety) - for a total amount of 10 hours.
 - First Aid/CPR (Safety) for a total amount of 8 hours.
 - Construction Safety course & test was offered to 100% of white collar employees.
 - Manufacturing Safety eLearning course was offered to 100% of white collar employees.
 - OSHA 10 must be completed by anyone visiting a construction site.
 - First Aid/CPR offered at all locations.
 - Evacuation Safety training provided to employees.
- Production:
 - Silicone Applicator Certification training for a total amount of 8 hours.
 - SAP training for a total amount of 2 hours.
 - Crating Safety (Safety and Production) for a total amount of 1 hour.
- Human resources:
 - Workplace Harassment training for Managers for a total amount of 2 hours.
 - Train-the-Trainer for a total amount of 20 hours.
 - Values & Leadership Model training for a total amount of 1 hour.
 - PMP training for Managers for a total amount of 1 hour.
- Technical:
 - Autocad Standards training (Design) for a total amount of 8 hours.
 - Building Physics (Design) training for a total amount of 16 hours.
 - Design & Materials (Design) training for a total amount of 24 hours.
 - Structural (Design) training for a total amount of 24 hours.
- Other trainings:
 - Administrative Assistant training for a total amount of 16 hours.
 - Silicone School for Project Managers for a total amount of 2 hours.
 - Various Vendor trainings for a total amount of 1-2 hours.
 - Factory Training Program for a total amount of 24 hours.

BLEU TECH MONTRÉAL INC.

During 2015 the Company provided the following training actions:

- Linguistic trainings (French and English).
- Technical training (Design and material): 3 days 10 people, (building physics) 4 days 8 people, (structural) 2 days 8 people.
- Factory specialties training: structural silicone application.
- Health & Safety: fork lift operator - 1 day 2 people, Fork lift operator refresh - 1 day 10 people, Scissor lift and stacker - 1 day 10 people, first aid - 16 hours 4 people, Safety training specific to managers – 1 day 1 person, Safety fire extinguisher - 2 hours 36 people.

PERMASTEELISA PACIFIC HOLDINGS LTD.

The Company invested in manpower development with an equal utilization of in-house capabilities and external sources.

A total of 1.750 training man-hours were invested across the value chain. Accounting for more than 55% of the total training hours, there was an emphasis on building the safety culture through awareness among office-based staff and recertification for the site crew. This was second by corporate functions at 28% and the remaining equally distributed across the design, procurement, site and project management spectrum. The Company provided safety training, with 65% having attended an in-house safety orientation programme while the remaining 35% attended BCA accredited safety training.

GLOBAL ARCHITECTURAL CO. LTD.

The Company has organized 37 courses of training to employees such as the training on job enhancement, employee development, management skills, quality, ISO9000 and ISO14000. The total training hours in 2015 were 5.543 hours.

The Company has provided safety trainings for the personnel such as Basic Fire Fighting Training, Evacuation Drills, Training for Safety Officers at Supervisor Level and Safety Committee, Forklift Driving Training, First-Aid and CPR Training. The total safety training hours in 2015 were 2,356 hours.

PERMASTEELISA PROJECTS THAILAND

During 2015 the Company provided the following training actions:

- SAP training for key staff members involved in Purchasing, Warehousing Control and Good Received. Approximately 30 hours for the specific employees concerned with these activities.
- Safety trainings for Site Staff. Internal and External Training Programmes.

PERMASTEELISA (INDIA) PVT

During 2015 the Company provided the following training actions for a total almost 7.800 hours:

- PMF training.
- Inventor training.
- Basic Curtain wall training.
- Advance curtain wall training.
- Train the trainers.
- 4T (Training for PMF Trainers).
- Fire-fighting course.
- Sexual harassment course.
- Safety training: 100% of personnel trained.

PERMASTEELISA JAPAN K.K.

During 2015 the Company provided the following training actions:

- ISO auditor training: 8 hours.
- SAP account: 48 hours.
- SAP Procurement & Production: 40 hours.
- PMF Inventor: 6 hours.
- PMF IM&BIE: 112 hours.
- PMF Tender: 120 hours.
- Safety: on site daily safety gathering was carried out involving all site personnel. The company had monthly and annual safety meetings involving subcontractors to promote safety.

PERMASTEELISA HONG KONG LIMITED

During 2015 the Company provided the following training actions:

- Technical training.
- SAP training.
- Fast Closing (accounting) training.
- Planning training.
- Leadership training.
- Safety training: all 430 staff in Hong Kong received Safety training.

DONGGUAN PERMASTEELISA CURTAIN WALL

During 2015 the Company provided the following training actions:

- New hires orientation/safety training: for a total of 896 hours.
- General course: for a total of 165,5 hours.
- Skill/Technical training: for a total of 910 hours.
- Management skill training: for a total of 32 hours.
- Language training: Chinese & English.

- Safety training: all the personnel during 2015 have received safety training. The Safety training included Orientation training for new employees, Safety induction video for all contractors and visitors, Safety skill training. e.g. How to use of fire extinguisher, first aider, Emergency response training, chemical leakage prevention training, Firefighting exercise.

JOSEF GARTNER CURTAIN WALL (SHANGHAI) CO. LTD.

During 2015 the Company provided the following training actions:

- Material training for a total of 14 hours.
- Functional training for a total of 134 hours.
- Technical training for a total of 128 hours.
- Safety training: safety induction and 3-level safety training for each new worker, safety training for special operations, regular safety topic training to cover various risks, daily safety toolbox talks, before and after holiday safety training, etc. The general attendance rate is over 90%.

PERMASTEELISA PHILIPPINES INC.

During 2015 the Company provided the following training actions:

- Technical training: for a total of 1.642 hours.
- IT training: for a total of 24 hours.
- SAP Training for Finance: for a total of 48 hours.
- Safety Training: The Company actively carry out the following activities to support and ensure safe and healthy work environment, among many others: Monthly Safety Inspection, Daily Tool Box meeting, Work Activity Risk Assessment and Safe Work Procedure and Work Method Statement.

The Company has also arranged for earthquake and disaster preparedness seminar attended by more than 30 employees.

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

COMMITMENT

Permasteelisa Group 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 Conduct.

ACTIONS & OUTCOMES

Code of Conduct

Everyone who collaborates with Permasteelisa has to respect the ethical principles in which the Group believes. Permasteelisa Group has promoted the dissemination of the Code of Conduct to all the employees, as well as customers and suppliers, asking them to sign it, and thereby approve. The Code of Conduct has been distributed to all Group companies in order for it to be noted and accepted by everyone who collaborates with Permasteelisa.

The Code of Conduct has been made available to everyone via publication on its website, www.permasteelisagroup.com, which can be easily downloaded. The pdf file of Code of Conduct is downloadable from the Group intranet, available to all Permasteelisa Group employees.

A translation into multiple languages of the Code of Conduct was also provided, so that its message could become even more widespread.

Training courses were organized in Italy and in Group companies in order to share with and raise awareness amongst employees of the importance of the Code as a basis of conduct on which the Group intends to build its business.

Reporting

There are several channels through which each employee can ask a question, seek advice or report a concern regarding a suspected breach of the Group Code, relevant policies or the laws and regulations:

- Permasteelisa S.p.A. e-mail address (organismodivigilanza@permasteelisagroup.com) for the reporting of any violations of the Code of Conduct, and therefore also for reporting hypothetical and potential human rights abuses. Reports are received by Permasteelisa S.p.A.'s Organismo di Vigilanza, which has the responsibility to inform the Board of Directors and the Board of Auditors in case Code of Conduct violations. All reports are handled in compliance with privacy regulations, safeguarding the rights of anonymity of the person reporting;
- LIXIL Group Compliance Hotline available to all employees globally (compliancehotline@lixil.com).

During 2015, as well as for the 2008-2014 periods, the Organismo di Vigilanza of Permasteelisa S.p.A. did not receive any information indicating that abuse occurred in relation to human rights.

LABOUR

3 BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

COMMITMENT

Permasteelisa Group recognizes the right to collective bargaining, which supports the freedom of association of workers.

“Human rights” - Code of Conduct par. 3.2

(...omissis...) LIXIL Group is committed to upholding the freedom of association and the effective recognition of the right to collective bargaining. All employees have the right to freely form and join groups for the promotion and protection of their employment interests to the extent permitted by law (...omissis...)

ACTIONS & OUTCOMES

Where admitted by the local law, the Permasteelisa Group Companies recognizes the right to collective bargaining and allows the periodical meetings and all employment contracts are covered by the local collective bargaining.

4 BUSINESSES SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

COMMITMENT

Permasteelisa Group, as stated in the Code of Conduct under the principle of “human rights”, complies with laws and regulations concerning privacy, immigration, working time, wages and hours, as well as laws prohibiting forced, compulsory and child labor, trafficking in persons and employment discrimination.

ACTIONS & OUTCOMES

Permasteelisa Group disapproves of the use of any form of coercion against staff, as well as the use of concealed labour. At this scope Permasteelisa set in place policies and internal rules to impede it .

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. The Companies also are required to ask to subcontractors (ex. Installation companies), before starting any kind of activities or business, evidences of tax, salaries, insurance and social security positions for their employees.

5

BUSINESSES SHOULD UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOUR

COMMITMENT

In compliance with the laws of the country in which it operates and with international law, Permasteelisa Group respects and promotes the abolition of child labour.

In the principle 3.2 of its Code of Conduct, Permasteelisa Group is the guarantor for the protection of basic workers' rights with respect to child labour.

ACTIONS & OUTCOMES

In adopting the Code of Conduct, Permasteelisa Group companies undertake to respect the principle of abolition of child labour for children of non-working age.

Permasteelisa Group does not hire children of non-working age.

6

BUSINESS SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

COMMITMENT

Permasteelisa Group 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 Conduct paragraph 3.1.

“Diversity and inclusion” - Code of Conduct par. 3.1

The Group treats everyone equally and fairly and makes employment decision based on merit and the group’s Value.

The Group values diversity and equal opportunity in the workforce, provides equal employment opportunity for all applicants and employees. In the employment processes, the decisions are made without considering race, colour, religion, national or ethnic origin, ancestry, age, disability, gender, pregnancy, marital status, sexual orientation, gender identity or expression, political or personal belief, union membership or any other characteristics protected by local laws and regulations.

These principles extend to all employment decisions including recruiting, training, evaluation, promotion and rewards.

Moreover also makes reasonable accommodations for employees and applicants with disabilities, and complies with all local laws protecting disabled employees.

The Group respects the diverse religions and traditions of the employees around the world. The Group strives to make reasonable accommodations, to the extent permitted by local laws, for religious practices.

ACTIONS & OUTCOMES

Permasteelisa Group Companies formalized internal hiring and personnel management procedures/policies 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.

Group companies select candidates focusing on the skills of the individual in relation to the job sought.

ENVIRONMENT

7 BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

COMMITMENT

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 5.1 in the Code of Conduct.

“Environment” - Code of Conduct par. 5.1

The Group acknowledges the value of preserving the global environment – the Earth is an irreplaceable asset that we must leave in good condition for future generations. The Group is committed to local and international environmental protection laws, regulations and principles. When evaluating LIXIL Group’s business operations, including the supply chain, the Group considers environmental impact and the duty of environmental stewardship as an important criterion.

The Group installs, maintains and monitors environmental controls to ensure the emissions meet legal limits. The Group will also assess the environmental risks of any new activity, including product design, entering a new market, building a factory and purchasing another business as well as divestment. In acquiring and disposing of real estate, the Group will conduct all required environmental surveys.

The Group strives to preserve the global environment. Accordingly, the Group works to reduce the environmental strain caused by the business activities, promotes greener processes (e.g., using environmentally friendly materials, saving water & raw materials, energy conservation, reducing GHG emissions), develops environmentally friendly products and takes other actions to contribute to the preservation of the global environment.

The Group takes a precautionary approach to environmental challenges, undertakes initiatives to promote greater responsibility and encourages the development and diffusion of environmentally friendly technologies. The Group will seek to have its suppliers similarly comply with these principles and requirements.

ACTIONS & OUTCOMES

Permasteelisa Group is committed to reducing consumption of energy and material, especially as regards sources of energy.

In the following the details of some initiatives taken by Permasteelisa Group:

PERMASTEELISA S.P.A.

In order to promote protection of the environment at the forefront, Permasteelisa S.p.A. 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. The Company has environment management system certified according to **UNI EN ISO 14001** international standard.

The company also adopted **Organization and Management Control Manual** with specific rules in matter of environmental management.

At the purpose of energy saving, the company adopted an energy management including washrooms presence sensors and ambient light sensors in the 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 and it is working also during 2015. Construction of the plant was carried out according to certain standard power generation prerogatives making use of renewable energy sources, specifically:

- 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.

PERMASTEELISA ESPAÑA SAU

The Company is certified UNI EN ISO 14001. It has a system for environmental risk assessment and also an Hygiene, Safety and environment policies. Each position/role in the Company were evaluated, identifying and communicating all the possible risks, indicating in a procedure how to avoid the risks and reduce possible damages.

PERMASTEELISA FRANCE S.A.S.

The Company prepares for every job a dedicated H&S Plan and an Environment Plan, to be submitted to the client and accepted by its consultants.

PERMASTEELISA GARTNER MIDDLE EAST LLC

The Company published a manual for the correct use of the offices containing also principles about hygiene, safety and use of printers, lights, etc.

PERMASTEELISA U.K. LTD.

The Company complied with all United Kingdom legislation and regulations regarding Health Safety and the Environment.

JOSEF GARTNER GMBH AND JOSEF GARTNER SWITZERLAND AG

The Company is certified UNI EN ISO 14001. It has a system for environmental risk assessment and also the Hygiene, Safety and environment policies. It is operating in compliance with law and the Group policies.

SCHELDEBOUW B.V.

The Company is certified UNI EN ISO 14001. It has a system for environmental risk assessment and also Hygiene, Safety and Environment policies, with control measures.

PERMASTEELISA NORTH AMERICA CORP

The Company is certified UNI EN ISO 14001.
The Company’s commitment to health & safety and environment programs extends to clients, employees, the community, as well as the state and regions it does business in. The company is committed to:

- Comply with all applicable State and Federal Environmental Regulations;
- Prevent pollution and harm to the environment;
- Train all employees to the environmental, health and safety programs and encourage them to contribute and participate;
- Communicate its environmental commitment and efforts;
- Continuous improvement over time in its efforts to reduce the carbon footprint, minimize the waste streams, recycle materials, and improve the energy efficiency, all while ensuring the health, safety, and wellbeing of the employees, clients and community.

BLEU TECH MONTRÉAL INC.

The Company has a system for environmental risk assessment and also the Hygiene, Safety and Environment policies in compliance with local laws and by-laws.

PERMASTEELISA PACIFIC HOLDINGS LTD.

The Company is certified UNI EN ISO 14001. It has a system for environmental risk assessment. The Company has established and communicated policies and operating procedures compliant to UNI EN ISO 14001 and BS OHSAS 18001 standards.

GLOBAL ARCHITECTURAL CO. LTD.

The Company is certified UNI EN ISO 14001. It has a system for environmental risk assessment and also the Hygiene, Safety and Environment policies.
For Hygiene and Environment policy, the company has activities to evaluate environmental aspects (water/soil/air/creatures) to estimate the risk and damage may happen to Company and employees. This is to comply to Thailand Industrial Law too.

PERMASTEELISA PROJECTS THAILAND

The Company is certified UNI EN ISO 14001. It has a system for environmental risk assessment and also the ISO Hygiene, Safety and Environment procedures and processes.

PERMASTEELISA HONG KONG LTD.

The Company has a system for environmental risk assessment and also the Hygiene, Safety and Environment policies in compliance with ISO and Code of Conduct.

DONGGUAN PERMASTEELISA CURTAIN WALL CO. LTD.

The Company is certified UNI EN ISO 14001. It has a system for environmental risk assessment and also the Hygiene, Safety and Environment policies.
The Company updates the Policy of Occupational Health, Safety and Environment protection at the beginning of each year. The current one is building a Zero Accident Culture and building a Zero Environment Pollution Culture.

JOSEF GARTNER CURTAIN WALL (SHANGHAI) CO. LTD.

The Company is certified UNI EN ISO 14001. It has a system for environmental risk assessment and also the Hygiene, Safety and Environment policies.

PERMASTEELISA PHILIPPINES INC.

The Company has Project Environmental, Health and Safety plans in place on all projects.

8 BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

COMMITMENT

Permasteelisa Group supports initiatives for the promotion of greater energy savings.

ACTIONS & OUTCOMES

The Permasteelisa Group subsidiaries take in place activities to promote a greater environmental responsibility, like for example the improving environmental and recycle rules.
In the following the details of some initiatives taken by Permasteelisa Group:

PERMASTEELISA S.P.A.

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 recycled. Permasteelisa S.p.A. also use software that optimizes the use of production materials and therefore reduces waste within production lines. Moreover, the Company developed a quality system that aims to reduce non-compliances which, in fact, would produce more waste.
Permasteelisa S.p.A. 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 S.p.A. adopted a digital system to manage all requests for authorization permits, vacations, travel, company cars etc., with a relevant paper and toner saving.
Referring the packaging, 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.

PERMASTEELISA ESPAÑA S.A.U.

The Company complies with laws of special waste treatments. In particular Permasteelisa España did take precaution to save the environment separating waste, recycling materials and waste and controlling suppliers and third parties regarding environment practice.

PERMASTEELISA FRANCE S.A.S.

On every site the Company is taking precaution according to dedicated mandatory Environment Plan (separate waste...). This is managed according to this plan, taking into account general rules of the site defined by the pilot and /or General Contractor.

PERMASTEELISA GARTNER MIDDLE EAST LLC

The Company issued the recommendation about the correct use of electronic and electric devices.

RI ISA D.O.O.

The Company collects waste paper and hands it to an external company for the recycling. The organic waste is separated from the rest and safely deposited.

JOSEF GARTNER GMBH AND JOSEF GARTNER SWITZERLAND AG

The Company is operating in line with the regulations. Energy supplies are in compliance with German regulations.

SCHELDEBOUW B.V.

The Company did take precaution to save the environment recycling & waste reduction, reduction of energy usage. It increased thermal insulation in factory roofs.

PERMASTEELISA NORTH AMERICA CORP.

The Company did take precaution to save the environment: Established a baseline to reduce aluminium waster, Investigated glass recycling options, Recycled cardboard, Recycled aluminium, Recycled white paper and Recycled plastic bottles and cans.

BLEU TECH MONTRÉAL INC.

The Company did take precaution to save the environment recycling metals, wood, paper, etc... Disposal of chemicals is in compliance with local laws and by-laws.

PERMASTEELISA PACIFIC HOLDINGS LTD.

The Company encourages sustainable development through the following initiatives: Recycling, Control waste disposal in accordance to regulation, Control water pollution in accordance to regulation, Reduce wastage of materials and monthly communication to employees promoting environmental responsibility.

GLOBAL ARCHITECTURAL CO. LTD.

The Company has the risk assessment register card as the data record for each department's risk/resources using/contamination to environment. So, the Company can improve employee's hygiene, at the same time can reduce the risk, as well as keep the environment clean. Beside from that the Company has waste separation, turn light off during the lunch, and install new parts to machine to save more energy.

PERMASTEELISA PROJECTS THAILAND

The Company did take precaution to save the environment using recycled paper, separation of scrap and waste materials for disposal, monitoring of power consumption and control of power usage.

PERMASTEELISA JAPAN K.K.

The Company has separate waste collection system which is in accordance with the city waste collection system and uses LED lighting.

DONGGUAN PERMASTEELISA CURTAIN WALL CO. LTD.

The Company did take precaution to save the environment. In particular, the solid wastes are distinguished by recyclable and unrecyclable with two kinds of trash bin which have different colours and illustrations on the cover, reducing the quantity of forklift to a minimum to reduce diesel oil consumption and reviewing electricity and water saving efficiency at Monthly Environment Health Safety meeting.

JOSEF GARTNER CURTAIN WALL (SHANGHAI) CO. LTD.

The Company did take precaution to save the environment collecting and recycling the silicon bottles on project sites. In factory, the Company separates and collects the waste. Hazardous waste are disposed and treated by qualified contractors. The Company measures and monitors the resources used on a monthly basis.

PERMASTEELISA PHILIPPINES INC.

The Company ensured solid waste segregation was carried out on all its projects. In addition, Company also control waste disposal in accordance to regulation and reduce wastage of materials.

9 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 Group has funded projects to encourage energy saving.

ACTIONS & OUTCOMES

As reported in Permasteelisa Group web site:

Sustainability of buildings extends beyond environmental challenges but also structural and safety issues. For a building to be sustainable it must not only be energy efficient and have minimal environmental impact but provide both safety and security for building occupants.

In this respect, research is being carried out in the fields of:

- blast enhancement
- impact protection
- seismic performance
- intrusion & forced entry
- fire resistance
- ballistic projectile resistance.

Research has focused on providing technology that can be extended and applied to various project standards and specifications, not simply one-off ad-hoc products. This technology includes patented system design not only tested & certified through actual field trials but also enabling benchmarking and validation of unique proprietary developed advanced software tools.

Research is also carried out to develop structural systems that optimize the use of façade materials and systems. Material life cycle research enables ease of replacement of individual components as they near the end of the design life without the need to replace the overall façade. Structural optimization techniques and software reduce unnecessary material wastage.

Permasteelisa has led the industry in the development of free and fluid form structures with the successful completion of numerous prestigious projects. The unique form and complexity of such structures has led to the development of proprietary surface rationalization and optimization software as well as research into the unique properties and limitations of cold formed materials such as glazing, metals and composites.

Further research is being carried out investigating the use and application of alternative industry technologies through the use of polymers and composites and the use of adhesives and bonding technologies.

The Group has focused on environmental sustainability themes and in its architectural projects implements new energy saving strategies. **Intelligent façades**, custom made for the largest world projects: **façades filtering light, abating acoustic pollution** and **saving heat from the sun** for winter heating or summer ventilation. Buildings capable of generating power through **photovoltaic** cells and resisting the strongest **seismic events** or **explosions**. Research and development within the Permasteelisa Group has primarily focused on sustainable design of buildings and the development of façade components and systems to achieve this.

Main focus areas of sustainable building design include:

- Protection

One of the main goals of any sustainable building is to provide not only protection against the elements but also safety and security to its occupants. With this in mind, structural and safety research is being undertaken in the areas of blast enhancement against the threat of explosive attack, fire protection and seismic design. Despite the severe structural demands that such loadings have on façades, the outcomes of this research have led to the development of systems and technologies that allow architects the possibility to maintain design flexibility and aesthetics, maximise transparency whilst maintaining enhanced levels of protection for occupants.

- Energy Saving & Comfort

The increasing architectural trend of maximising glazed surfaces area presents a technological challenge with regards to energy consumption and building sustainability. To address this challenge, **building physics research and development** has focused on areas such as the development of **accurate software tools**

capable of assessing building energy usage, the development of **climatically responsive advanced façade** systems, **façade integration of renewable energy systems** as well as studies into the **improvement of internal thermal and acoustic comfort conditions**.

- Efficient Design & Materials

Design & Materials Research has focused on the development of proprietary **surface rationalisation and optimisation software** in conjunction with research into the possibilities and limits of **cold forming of glazing, metals and composites**. Cold bending refers to the bending of a flat surface to form the required curved free form surface. By understanding the extent to which a material can be formed the surface may be optimised in order to minimise the number of unique panel types as well as reduce the number of pre-curved panels.

Efficient design goals are focused on **developing new systems using advanced composites and polymer materials** with both **low embodied energy and a high degree of thermal efficiency and recycle ability**.

These systems are **lightweight**, have **high thermal efficiency** and provide a new **architectural aesthetic**. Research into the application of innovative materials is carried out in accordance with the highest quality and occupant comfort standards.

PERMASTEELISA S.P.A. is active in the development of new, eco-friendly technologies.

1. Organic photovoltaic cells

Permasteelisa initiated a project in 2008 for production of semi-transparent 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. After the design phase and a pilot line was completed at the beginning of 2012. The research is focuses on the optimization of the semi-transparent solar panels and their application on a project.

2. Sustainable design

Furthermore, the Permasteelisa Group continued 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.

Permasteelisa Group at Safeguarding Australia 2016

May 2016 - Permasteelisa Group participated at **Safeguarding Australia 2016**, the 13th national security annual summit held on 11st and 12^{sd} May 2016 in Camberra.

Safeguarding Australia 2016 brings leading industry experts from state and federal governments, the corporate sector and Australian and international universities to explore evolving national security threats and opportunities for improving Australia's resilience to violent extremism. Permasteelisa Group was a main sponsor of the Blast and other extreme events - Design and Modelling Forum, a special occasion to provide participants with a valuable overview of case studies, modelling tools and research projects in this area covering terrorist attacks, accidental explosions, mining explosions, floods, earthquakes, bushfires, risk and safety management etc. In today's world, knowledge of modern protective structures is vital for both building engineers and protective security specialists. Permasteelisa contribute to the forum was a presentation about "Protective façade design to mitigate the effect of blast", focused on Permasteelisa's design philosophy and approach to blast enhancement of façade systems. As opposed to consequential strengthening of façade components, Permasteelisa seeks to merge the concepts of maintaining the integrity of the building envelope, controlling hazard and minimizing the load transfer to the main structure, preserving at the same time the major façade requirements in terms of architectural freedom, comfort and energy performance.

The blast enhancement research and development projects within Permasteelisa delivered the design concepts for several types of façades, whereby every component of the façade systems contributes towards the dissipation of blast wave energy, culminating in the development of the dissipative bracket.

ANTI-CORRUPTION

10 BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

COMMITMENT

The Group establishes, in the Code of Conduct, the principles of proper and transparent relationships with government officials and the stakeholders, of conflicts of interest, prohibition of involvement with criminal organizations and individuals, the anti-money laundering and fair competition.

The core principles of the Code of Conduct are described as follow:

“Anti-corruption” - Code of Conduct par. 2.1

Group prohibits giving of money or improper benefits, including excessive services, gifts and entertainment, to government officials and ensures transparent relationships with them. The Group also does not give or receives money or other benefits, including excessive gifts and entertainment, to or from private business partners in order to secure an improper benefit.

The Group is committed to working in a corruption-free business environment, does not give or promises money of any value, nor excessive services, gifts and entertainment, to governments or government officials (a term which includes employees of state-owned enterprises, political candidates and their employees, and all other public officials). The Group does not provide such benefits to the employees of customers or business partners that could be construed as intending to improperly influence their decisions. These prohibitions include what are known as “facilitation payments.”

Problematic benefits include, among others: hiring someone who is a current or former government official or his/her family member to obtain even an indirect benefit from the government official without the prior approval in accordance with company’s procedure; paying unofficial “fees” or “tips” to licensing authorities or customs officials; or using a third party, such as a travel agency, to arrange a personal trip for an customer’s executive at the company’s expense in exchange for arranging for his company to purchase the products.

The Group may offer and accept unsolicited gifts and entertainment that are business courtesies, designed to build relationships and goodwill, if they are not intended to secure a particular business or personal benefit, are appropriate to the circumstances and are moderate in terms of value, frequency and quantity. The Group does not solicit gifts or entertainment of any value, nor may provide gifts or entertainment in response to solicitations.

The Group must document and keep records of gifts and entertainment in accordance with the Code, policy and procedures.

The Group may not use a third party as an intermediary to confer any benefits that would be prohibited if it were to offer them directly. The Group will seek to ensure our third parties are aware of and compliant with Group anti-corruption standards, including conducting risk-based anti-corruption diligence before engaging third parties.

“Conflicts of Interest” - Code of Conduct par. 2.2

The Group avoids conflicts of interest and the appearance of conflicts, and disclose any potential conflicts to the company.

We act in LIXIL Group’s best interests and avoid any action or appearance that puts our personal needs ahead of LIXIL Group’s interests.

We should not put ourselves in situations where our business decisions can be influenced or appear to be influenced by personal or family interests or friendships.

It is obligation to voluntarily and proactively disclose any actual or potential conflict promptly to the company. In most cases, conflicts can be resolved by an open and honest discussion. Certain material conflicts may require the acknowledgement of confidentiality obligations, reassignment or recusal from certain business decisions.

“Prohibition of involvement with criminal organizations and individuals” - Code of Conduct par. 2.3

The Group will not be voluntarily involved with criminal organizations or individuals, such as corporate extortionists and members of organized crime, including as customers, business partners, or otherwise. The Group will not give in to threats by such parties and will promptly report any such threats to the company.

“Anti-money laundering” - Code of Conduct par. 2.4

The Group ensures to hold procedures to prevent money laundering and comply with anti-money laundering reporting requirements.

The Group is committed to the international fight against money laundering. Money laundering is the criminal practice of filtering the proceeds of crime, or ‘dirty money,’ through a series of transactions so that the funds are ‘cleaned’ in order to disguise their illegal origin. LIXIL Group Entities conducts business in accordance with all local legal requirements, including compliance with any currency reporting requirements.

“Fair competition” - Code of Conduct par. 2.5

The Group supports free and fair competition and does not use illegal or questionable measures to gain an advantage over a competitor.

The Group operates in accordance with all applicable antitrust and competition laws and regulations wherever does business.

The Group does not collaborate or create the appearance of collaboration by discussing with, or disclosing to, competitors sensitive information such as prices or price components, discounts, costs, profits, margins, trading terms, marketing, distribution plans, market or customer allocations or new product launches. The Group ensures that its intermediaries do not communicate such information to or receive it from competitors. The Group uses only legitimate means of gathering competitive information, whether directly or through third parties, does not use illegal means or misrepresentation, or induce customers, business partners or (current or former) employees of competitors to provide confidential information.

The Group does not mandate or agree on a customer’s resale prices or incentivize customers to follow recommendations through any form of coercion or punishment. The Group does not impose conditions of sale that can exclude competitive products or limit a customer’s scope of resale. Consult the business’s legal department/Compliance before to discuss exclusive sales or services agreements, termination of sales, refusals to sell, tying the sale of one product to the purchase of another or territorial or customer restrictions on the resale of products. The Group does not abuse dominant market positions.

“International trade controls” - Code of Conduct par. 2.6

The Group complies with trade regulations including local and international export control and economic sanctions laws when it imports/exports goods, services or technologies or conducts business in countries subject to international economic and trade sanctions.

The Group is evolving as a global company and may transfer goods, services and technologies across national borders. In doing so, the Group complies with all applicable laws and regulations governing the import and export of the products, including those related to customs, embargoes (in particular Japan, US, UN and EU sanctions regulations) and anti-boycott requirements.

The Group closely follows procedures for import and export, especially to countries subject to international economic and trade sanctions, and complies with laws and regulations that prohibit or restrict doing business with certain entities or individuals.

“Political and Religious activities” - Code of Conduct par. 2.7

The Group does not use its funds or resources for personal, political or religious activities.

The Group encourages its employees to participate in its communities, which may include political and/or religious activities. It cannot be use, however, the name of LIXIL Group or LIXIL Group Entity or the own position at the company to promote particular political or religious causes.

Any payments on LIXIL Group Entity’s behalf to political candidates or parties are strictly regulated and must be pre-approved in accordance with the company’s procedures.

The Group does not support or associate with political or religious activity that incites extremism or challenges our commitment to cultural diversity and equal opportunity.

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ACTIONS & OUTCOMES

The principles above listed and enshrined in the Code of Conduct constitute a commitment by the Company to refrain from illegal conduct. The Companies of the Group follow the Code of Conduct principles. They adopted internal policies and procedures against bribery and extortion.

The Code of Conduct has to be spread to the clients and suppliers. In fact, all employees and those who collaborate with the Group, without distinction or exception, are required to obverse and to apply the Code within their activities and responsibilities in full respect of the Group's policies.

Moreover, Permasteelisa S.p.A. approved the Organizational Management and Control Models pursuant to Legislative Decree 231/01 in order to promote business activity in accordance with national laws and legislation. The application of those Model is overseen by the “Organismo di Vigilanza” through audit tests.

In the framework of Law 231/01 (which established administrative liability of the bodies), Permasteelisa managers and staff are trained to be the main guarantors of corruption forms absence, and in their ability to prevent these forms.

Permasteelisa has established the principle of segregation 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.



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