

The European UN Global Compact Companies Towards Rio+20 and Beyond A Best Practices Collection



Preface

by **Soren Petersen,**
Head of Local Networks,
UN Global Compact

In the last decade since the launch of the Global Compact in 2000, Corporate Social Responsibility has evolved greatly with companies taking giant strides towards ensuring business sustainability. This compilation of how corporate sustainability is being implemented among Global Compact participants across Europe is a formidable collection of cases clearly demonstrating the importance of Corporate Sustainability within organizations. Companies preparing for the future not only take this work as very seriously but they also find it very important. The cases drive home the point that has been argued for years now that as companies have a positive impact on sustainable development broadly speaking they also become more profitable. The publication has come about through a collective effort

among the European Local Networks with the Italian Local Network leading and coordinating the effort and that in itself also proves how far the Global Compact has come over the past 10 years. We hope that this publication will not only serve as an inspiration for local networks and participants in other regions around the world but also the European Local Networks will continue this path of collaboration trying to set even higher aspiration but as individual local networks and collectively.

We have no doubt that the European Local Networks will soon become THE entry point for the corporate sustainability debates across the countries in Europe and within the very near future the Local Networks in Europe will all be seen as national sustainability hubs!

Introduction

by **Marco Frey**,
Chairperson,
Global Compact Network Italy

On October 2010, the European based UN Global Compact Local Networks signed a Declaration of Intent (DOI) in Brussels with the joint objective of increasing communication and collaboration among them and undertaking initiatives to confirm the Global Compact as a strong and attractive sustainability initiative (20,000 active companies by 2020 target). The European UNGC Local Networks agreed to annually organize with this target a regional conference hosted at the location of a different Network each year: the last meeting took place in Rome on October, 2011 hosted by the Global Compact Network Italy. During the event, a European best practices collection was released.

Providing inspiring examples on how companies can contribute to societal development, *"The European UN Global Compact Companies Towards Rio+20. A Best Practices Collection"* certainly represented for European Local Networks a first attempt to give an adequate answer to the UN Global Compact Office request to support the advancing the sustainable development agenda.

With a view to the "Rio+20 Corporate Sustainability Forum: Innovation and Collaboration for the Future We Want" organized on June, 2012 by the UN Global Compact in cooperation with the Rio+20 Secretariat, the UN System and the Global Compact Local Network Brazil, the Euro-

pean Global Compact Local Networks decided to produce an updated version of the publication.

The second edition of the best practices collection focuses on sustainable development initiatives and programs carried out by European companies to help advance sustainable business models and markets coherently with the Rio+20 logic. It contains one hundred and two articles written by companies that operate in twenty-three different European countries: Austria, Belgium, Bosnia-Herzegovina, Bulgaria, Denmark, France, Georgia, Germany, Greece, Italy, Lithuania, Macedonia, Netherlands, Norway, Poland, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, United Kingdom and Ukraine.

As for the previous edition, the practices have been selected following a double criterion. Some of them can be considered as real "best practices": they are related to very innovative programs or activities carried out by business actors in advancing the sustainability development agenda. Some others, in line with the UN Global Compact approach, can be more correctly defined "on progress programs" such as programs and/or activities implemented by companies that are not characterized by an innovative approach but are still very interesting in a "learn from each other's experiences" logic. They are indeed, simple but very effective programs and/or activities, which can be extremely inter-

esting for new UN Global Compact participants and/or for the numerous SMEs that decide to join the initiative.

Even if the collection only contains business cases, it strongly points out the importance of building synergies in intervention to ensure that the sustainable development agenda is advanced in the most effective and efficient manner. Most of the articles showcased in the document refer to programs and activities implemented in partnership with civil society organizations, coherently with the UN Global Compact multi-stakeholder approach.

The publication is organized in coherence with the key elements of the strong commitment towards a green economy (as a radical paradigm change) required to business actors in advancing the Rio+20 Agenda: addressing sustainable commitment in the core business activities and within the sphere of influence and taking into strong account equity and social needs of the other communities in the worlds. It is articulated into three sessions: the first one is focused on business efforts in moving towards a greener economy; the second chapter will showcase business practices and best practices in the implementation of sustainability (with reference to not environmental issues) within their sphere of

influence; the third chapter collects business experiences in investing on societal development.

This publication has been edited by the UN Global Compact Network Italy within, and as a result of, the increasing European based UN Global Compact Local Networks communication and collaboration framework. It can certainly be considered as an extremely powerful sharing knowledge tool. It can also be identified as an important cognitive resource. The best practices collection represents, indeed, a very useful tool to better define possible interpretations and different ways of reaction to both the global and local sustainability challenges within the specific context in which the European UN Global Compact participants perform. In some way, this best practices collection, can be of great help to European companies in their effort to seriously implement corporate citizenship practices within their business but also to raise public awareness on corporate sustainability relevance within the European framework.

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MOVING TOWARDS A GREENER ECONOMY

The green economy agenda covers, on the one hand, the greening of existing industries, under which all industries continuously improve their resource productivity and environmental performance. It aims, on the other hand, to create new green industries, that deliver environmental goods and services in an industrial manner, including, for example, waste management and recycling services, renewable energy technologies and environmental analytical and advisory services. The promotion of an environmental culture is the third key challenge business actors have to face to move effectively towards a greener economy.





Energy Efficiency Increase by Involving the Public

by **Renata Gaudinskaitė**,
Corporate Social Responsibility Project Manager,
AB LESTO

The most important goal of all our social responsibility initiatives is to shape safe and rational habits for electricity consumption in our society, as well as to contribute to the reduction of energy resource usage and its impact on our environment. We have identified three strategically important CSR initiatives: "Operacija 2020" ("Operation 2020"), "Tiek, kiek reikia" ("To the Extend Required"), and "ElektroMagija" ("ElectroMagic").

The long-term initiative "Operacija 2020" ("Operation 2020") was launched in 2010 with the intent to decrease losses in the electricity networks, which appear due to unawareness of the population, electricity thefts and natural disasters. In order to make more effective the communication toward the target audiences, we chose the Association of Chiefs of Local Authorities of Lithuania (the lowest and smallest unit of authority in Lithuania) to be our partners:

- In cooperation with these partners, we handed out 120,000 copies of an educational handbook about a responsible electricity consume (electronic copies were available on our website). As a result of having raised the awareness among people, the number of calls by citizens reporting illegal events on the network increased by the 80%.
- We organized an awareness campaign on media, including media releases and visual information, reaching the 31% of the population.
- We organized a contest in 2011 for local communities, with a prize fund of 60,000 LTL (approx. 17,500 EUR), from which we received 32 applications from 29 different communities.

“Increasing the efficiency on electric energy consumption, implementing educational initiatives to accomplish that”

The project helped to solve lighting problems in settlements (living standards were improved for more than 3,000 people) and sponsored educational projects on safety and energy efficiency with participation of more than 10,000 people.

- Research showed that 23% of Lithuania's inhabitants were familiar with the initiative "Operacija 2020" after the first year of the project.

Another long-term initiative - "Tiek, kiek reikia" ("To the Extend Required") - focuses on educating society about rational energy consumption. We involved a number of partners to make the communication on the issue more intensive and interesting. Three target audiences were defined and the communication was divided accordingly:

Home consumers:

- We started the initiative encouraging people to share their best practices on cutting their electric energy consumption. Consequently, we created an online Recipe Book which includes many "recipes" on how to reduce energy consumption at home. In this book, we showed how, if a household applies all the recommendations, its electric energy consumption will decrease by the 20%. Public opinion surveys showed that 53% of people regularly use our advices on rational use of electric energy.
- After having identified the more problematic areas in the household that uses electric energy, we visualized tips on ways to avoid unnecessary consumption. We designed a house map and placed tips on respective objects to show which areas need more attention.
- We prepared an educational crossword puzzle for regional

newspaper readers, with questions related to rational energy consumption issues. Puzzle solution winners received economical LED light bulbs.

- Campaign website invited people to discuss issues of rational consumption as well as served as a platform for expert consultation. Our experts are indeed always ready to provide visitors with tailored consultations and advice on rational consumption.

Businesses:

- We organized a conference on rational use of electrical energy for business, with more than 200 participants. Companies shared their tips and practices on how to rationalize their consumption of electricity; they also consulted each other on the best practices applied.
- The Green Protocol was created and signed by 104 enterprises, thus expressing their intention to take action and to contribute to climate change mitigation. We announced a competition for companies and awarded those that introduced the most effective innovative solutions, changed employee behavior, and significantly contributed to reducing CO₂ emissions. The winning companies were awarded during the following annual event on the project.

Educational institutions:

- An electricity consumption study was carried out in three standard schools, providing recommendations on how to rationalize energy consumption. Other schools were encouraged to use the recommendations as well. Experts (City Service, building maintenance service company) concluded that the cost of electricity can be reduced by about 50% if electrical and lighting systems were updated.
- With the help of our partners Osram, Philips and SLO, we managed to install modern intelligent lighting systems in seven classrooms, helping a decrease in electricity consumption up to 50 - 70%. The project's partners have invested over 100 thousand LTL (approx. 29,000 EUR).
- Using the study's results, we encouraged State authorities overseeing building renovation to increase the energy efficiency of older housing units, and the company is seeking for funding guarantees the renovation of the electricity sector.

LESTO believes that children are a key link in educating people on safe behavior with electric appliances. To this end, the long-term initiative "ElektroMagija" ("ElectroMagic") is aimed at teaching children about electricity and presenting safety-related issues in a fun and pleasant way. Our activities encourage children to be interested in sustainable technologies and ecology.

- Children were encouraged to make Christmas souvenirs from waste materials by participating in a contest. It was calculated that secondary use of waste materials could save up to 348 trees.
- We initiated the creation of a club of electromobile fans,

which received over 250 paintings during a painting contest on future vehicles.

- During the contest, the initiative's website was visited by more than 40,000 visitors and more than 560,000 times. In addition, we undertook other continuously sustainable initiatives that contribute to the general welfare of society:
- The Company is trying to reduce the use of paper document in the offices as much as possible. Documents that do not necessarily need to be printed are prepared only in soft copy, and we use an electronic document managing system which reduces document processing and archiving costs.
- In cooperation with the Lithuanian Ornithological Society, the Institute of Ecology Nature Research Centre, and other partners, we have contributed to the project "Saving the White Stork in Lithuania". The White Stork is listed in the Red Book (endangered species) and is considered the national bird of Lithuania. We have committed in building 1,770 artificial White Stork nests on electricity pylons by the end of 2012, and 1,740 of them had been already created by the end of 2011.
- We encourage our clients to switch to electronic invoices and already over 85% of our business clients use electronic invoices rather than paper.
- The Company hires a number of interns every year. Students are allowed to select their internships in different sectors and locations across the Country. They are introduced to the Company, getting a chance to practice their theoretical knowledge from university.
- On Energy Specialists Day, we organize an Open Doors event at The Energy and Technology Museum. People are invited to come to the museum free of charge to listen about energy systems, modern technologies and their future in Lithuania.

Public opinion surveys show that we are ranked among the most favorable companies providing regulated communal services. People also characterize our company as a quality service provider, oriented to results and one that cares about its own reputation.

AB LESTO is a State-owned enterprise, which distributes and transmits electrical power throughout the entire territory of Lithuania. The electrical power provided through the Company's distribution grid reaches more than 1.571 million individual customers and over 61,5 thousand business clients.

A safe and stable supply of electrical energy power is guaranteed by more than 2,600 of our specialists.

www.lesto.lt

Greenhouse Gas Inventory

by **María Victoria Sánchez Jiménez**,
Managing Director of
Corporate Social Responsibility Department,
Abengoa



Environmental protection is fundamental in achieving sustainable development to ensure and guarantee the availability of today's resources for future generations. Caring for and protecting the environment is a task for all in which entities play fundamental role. Organizations should act responsible during their activities and must try to minimize their impacts to avoid endangering the future of the planet.

Working towards sustainable development, Abengoa guarantees the environmental sustainability of its products and services as well as its processes. Thus, it designed and introduced tools that allow the measuring, comparison, evaluation and reduction of the impact its activities may bear on the environment.

One of the company's most powerful tools is the Greenhouse Gas Inventory (GHG), aimed at obtaining exhaustive knowledge in the direct and indirect GHG emissions of each of the company's activities. This allows Abengoa to set up annual plans of reduction, labelling its products and services, and grading its suppliers based on the GHG emissions that may be attributed to the supplies.

Since its creation in 2008, the inventory has been subjected to external independent auditing and from 2009 onwards the results have been published in the Carbon Disclosure Project (CDP). As well as in the sustainability report in 2011, ISO 14064 certification of Abengoa's GHG inventories has been simultaneously driven forward, and efforts will be mobilized with a view to ISO 14067 product labelling certification. Through

these initiatives, Abengoa seeks to enhance the quality and maturity of the emissions management system and gain new lines of development derived from the system.

The results of Abengoa's GHG Inventory entail a complete examination of the emissions derived from the Company's activities: A analysis structured according to the scopes and the various sources.

“The 2011 reduction is estimated to be 361,000 t of CO₂ in comparison with the 2010 levels, calculated based on the activity parameters of the companies of Abengoa”

The 2011 calculation of the GHG took into account the direct emissions of all Abengoa's sources (combustion, process, transmission and fugitive emissions); the indirect emissions from the electric, thermal or steam energies acquired; those from commuting to and from work, losses in the distribution and transmission of electric energy and emissions in the value chains of the fuel consumed during the generation of acquired electric energy. Biomass emissions from combustion or processes are also reported.

The measurement of emissions in Abengoa's inventory holds clear advantages

over other instruments: It is complete, both in its consolidation perimeter as well as in its scope; it is verifiable, both internally and externally; it constitutes a comprehensive model on which to base reduction targets, and obtain the suppliers' commitments to the climate conservation policies.

All Abengoa companies are bound to lay out emissions reduction plans annually. As a result, the 2011 reduction is estimated to be 361,000 t of CO₂ in comparison with the 2010 levels, calculated based on the activity parameters of the companies

of Abengoa.

The total of Abengoa's GHG emissions for 2011 reached 11,889,490 t of CO₂, broken down as follows:

- Scope 1, direct emissions, attributed to sources under Abengoa's control: 2,953,020 t of CO₂
- Scope 2, indirect emissions attributed to the generation of electricity or thermal energy acquired: 644,209 t of CO₂
- Scope 3, indirect emissions including those from the production chains of goods and services acquired by Abengoa: 5,828,989 t of CO₂
- Biomass, emissions attributed to the usage of biomass that is calculated from the use of biomass as fuel and from its use as raw material in the production of bioethanol: 2,463,272 t of CO₂.

It is through GHG inventories that Abengoa adheres to its commitment to the fight against climate change to its supply chain, requesting all its suppliers to report the emissions attributed to the goods and services that the company may acquire (scope 3).

Thus, Abengoa demands that, in addition to signing the Social Responsibility Code considered in 11 clauses based on the principles of the United Nations accord and inspired by the SA 8000 international standard, its suppliers also sign an Agreement to Introduce a Greenhouse Gas (GHG) Emissions Reporting System. To date up to 19,000 such agreements have been signed worldwide. This is how Abengoa ensures that each and every one of the activities and processes fall under its model of sustainable development, getting the goal of the fight against climate change to extend far beyond the organization. The GHG inventory is managed through an IT software in Abengoa's Integrated Sustainability Management System (ISMS), which allows emissions to be measured in all scopes and sources established in Abengoa's internal regulations which create the inventory and which was prepared based on international standards. The ISMS also constitutes the Corporate Social Responsibility Management System and the Environmental Sustainability Indicators (ESI).

The greenhouse gas management system brings benefits to its stakeholders and the society in general, taking part and specifying its commitment to disclosing and lowering its emissions, agreeing with a general social interest. This process involves encouraging active supplier commitment and enables an enhanced decision-making process for customers.

The Greenhouse Gas Inventory is a tool born from the organization's commitment to the fight against climate change. With its implementation, Abengoa is fostering sustainable development and focusing all its strength on guaranteeing the sustainability of its products and processes, in the relentless attempt to improve and achieve championship position in responsible management. The calculation of its emissions for the fourth consecutive year, the publication of the results for

the third year, the verification of said results and systems by independent third parties and the continuous establishment of new GHG emissions reduction plans, are a clear demonstration of its intentions.

In addition, ISO 14064 inventory certification enables us to accredit Abengoa for participation in processes involving the incorporation of the carbon footprint into public procurement and to ensure that each manager within the organization takes full responsibilities of her own emissions.

Abengoa views sustainable development as a challenge and firm commitment which it transfers to its business and strategy by introducing a culture of environmental sustainability and a policy of constant reduction of the environmental footprint. Measuring emissions and quantifying their reduction efforts is a task imposed on all Abengoa businesses, an attitude derived from the business model of coherence between providing innovative solutions for sustainable development and the commitment of sustainability in light of the climate change.

ABENGOA

Abengoa is an international company that applies innovative technology solutions for sustainability in the energy and environmental sectors to generate energy from the sun, produce biofuels, desalinate sea water and recycle industrial waste, bringing long-term value to its shareholders through a management model based on encouragement of the enterprise culture, social responsibility, transparency and professional rigor.

Abengoa business is composed of 3 areas: engineering and construction; concession-type infrastructures; and industrial production. Its growth rests on 3 strategic cornerstones: new businesses to help combat climate change and foster sustainable development; a highly competitive human team and heavy investment in R&D.

www.abengoa.es

ACEA for Innovation: the Smart Grid Pilot Project

by **Stefano Antonio Donnarumma**,
Chairman,
Acea Distribuzione SpA

Technological innovation is playing a primary role in the development of distribution networks, with the commitment of business world and the support of institutions that promote research in this field and provide incentives for its application.

The liberalization of the electricity sector has facilitated a paradigm shift in the pattern of production and transport of energy. Up until now, generation activities were concentrated in large facilities (centralized production), connected to the transmission network that fed a one-way power flow to final customers.

This model has been changing, with the rapid development of much smaller, more widely distributed facilities (decentralised generation), often using renewable energy sources, connected to the medium and low voltage grids and contributing to a flow of power that is no longer one way, and that needs to be modulated by management systems designed to regulate voltage and power loads. In other words, a Smart Grid.

The application of Information and Communication Technologies (ICT) will enable distribution networks to function as Smart Systems. End users will be able to adopt advanced techniques for utilising power, with an active and more sustainable management of energy consumption. Distributer power generation will be facilitated further, together with enhanced quality of service, in particular in terms of voltage continuity and regularity, supporting the development of electrical mobility.

In this respect Directive 2009/72/CE states that: "member States should encourage the modernisation of distribution networks, such as through the introduction of smart grids built in a way

that encourages decentralised generation and energy efficiency". The Electricity and Gas Authority, Italy's national regulatory body in the energy sector, in its Resolution of 25 March 2010 – ARG/elt 39/10 – has called for incentives to be made available for pilot projects for the development and promotion of technologies related to smart grids, i.e. "pilot projects for an active distribution grid, equipped with devices designed to integrate the behaviour and actions of all connected users, in order to favour distributed

power generation and the efficient use of resources."

Acea's Group, through Acea Distribuzione, the company that manages the electricity distribution network in the city of Rome, has met this challenge by submitting a smart grid pilot project to the Authority, resulting one of the eight approved for incentives, ranking fourth in order of importance (priority indicator) and second with regard to technical evaluation.

The independent Commission of Experts appointed to draw up the Evaluation Report on the projects took into consideration both the expected benefits (technical

aspects) and implementation costs (economic aspects).

The technical elements assessed, covered the **size of the project** (for example the number of connection points of active users involved and the increase in energy that can be put into the grid through Distributed Generation); **the degree of innovation** (such as the setting up of a storage system and the structuring of a 2-way communication system with end users); **feasibility** (time for implementation and improvement in continuity and service quality indicators); **repeatability** of the project on a large scale (balance between investment costs and objectives/expected benefits, etc.).

“ *Users will be able to adopt advanced techniques for utilising power, with an active and more sustainable management of energy consumption* ”

The relationship between expected benefits, i.e. technical aspects of the project, and costs resulted in a Priority Indicator (IP). The ACEA Distribuzione project received a score of 73/100 in the technical evaluation, and a Priority Indicator of 660.

A highly appreciated aspect of the project is its innovative capacity due to an integrated storage system, with a recharging station for electric vehicles and a photovoltaic facility managed by the control system, and also to an enhanced levels of automation and remote monitoring, resulting in a positive impact on service continuity and quality.

ACEA DISTRIBUZIONE SMART GRID PILOT PROJECT

STATIONS	2 main stations and 76 sub-stations
NETWORKS	Approximately 70 km of networks (with underground cables and overhead lines)
SEMI-TRUNK LINES	6 semi-trunk lines
PLANTS	4 generation plants
USERS AND CLIENTS	6 medium voltage users and approximately 1,200 low voltage clients

The ACEA Distribuzione project, with a total cost of 4,9 mln of Euros, has been started up by the company in January 2011. It concerns a network already operating in the Malagrotta - Ponte Galeria area near Rome, and will be finished in 2012.

The key elements of the project – **advanced automation of the medium voltage grid**, **data monitoring** of the medium and low voltage network, the **new grid management process**, the creation of storage systems, the **diagnostics in primary station** and the **detection of transient faults trigger point** – will have a considerable impact on the quality of the service and on the development potential of distributed power generation.

The network automation process and the new data monitoring systems, the management of power flows and optimisation of voltage profiles are based on the application of "smart" solutions, that will modernise the grid and enable it to provide innovative and optimal energy flows produced in a decentralised system. At the same time, the process will ensure minimal losses improving the continuity performance of the service, acquiring the ability to identify almost immediately grid sections affected by breakdowns. A further benefit deriving from the smart conversion of the grid will be an increase in power hosting capacity, in relation to the growth of decentralised power generation.

Creating storage systems will be not only functional to the development of electric mobility in Rome, but also a key element for the construction and management of reliable and efficient "smart" grids.

The project will be replicated in other urban area and represents a first step of a **strategic plan for technological innovation** of distribution network, much more extensive and widespread, of which Acea Distribuzione has already defined target and stages progress until 2016.

PROGRESS OF THE PROJECT AT 31.12. 2011

- **Automation of MV network** – has completed the installation of field equipments and commissioning advanced automation on a section of backbone network without distributed generation, in the second stage will be involved also the MV backbone **with distributed generation**.
Progress at the end of the year is **85%**.
- **MV and LV network monitoring** (acquisition of electrical and environmental quantities on MV and LV network) – have been defined in detail the planned application in the project, which **will be implemented** in field by 2012.
Progress at the end of the year is **45%**.
- **New MV network management policy** (load flow management; voltage profiles optimization; minimization of losses) – have been defined in detail the planned application, which will be implemented in the field by 2012.
Progress at the end of the year is **35%**.
- **E-car & storage** – has been completed the installation of the storage system coordinated with a photovoltaic plant and a small electric charging points. The second phase involves the installation of TVR (Thyristor Voltage Regulator) for adjusting the tension on the MV backbone and the completion of the interface with the Center.
Progress at the end of the year is **75%**.
- **Diagnostic in primary station** has been completed the installation of the equipments foreseen and in early 2012 will end the phase of testing and the refinement process on the system.
Progress at the end of the year is **95%**.
- **Detection of transient faults trigger point** – has been finished the installation phase and must be setup in the Center.
Progress at the end of the year is **90%**.



Acea Distribuzione, 100% owned by Acea S.p.A., manages the electricity distribution service in Rome and Formello. It is the third largest electricity distributor in Italy and serves a population of approximately 3 million by a network of underground and

overhead cables extending for over 29,600 km, and providing about 12,000 GWh/year of electricity to the network. The company also handles the public and street lighting service, with about 182,000 lighting fixtures and over 205,000 street lights. Approximately 11,000 fixtures are used to illuminate Rome's artistic and archaeological treasures, enhancing the value of its world-famous monuments. On 31.12.2011 the company had 1,436 employees, a production value of 475 million euros and a profit for the year of 32 million euros.

www.aceaspa.it

Building Energy Efficient Homes in Macedonia

by **Nina Kepeska**,
PR Manager
and **Dragana Chifliganec**,
Head of Marketing,
ADORA - Engineering, Ltd. Skopje



Taking into account environmental issues is an ongoing concern of ADORA-Engineering-Skopje, Republic of Macedonia. ADORA-Engineering, continuously invests in projects, which positively impact the wider community. This kind of practice has already evolved into a tradition and represents the essence of our company code of ethics. The social responsibilities have become a quintessential part of our corporative undertakings and our priorities are clear: showing utmost concern not only for our buyers, but also for our employees. However, the benefits of our work are disseminated for the whole society.

By continuously following the state-of-the-art standards and new technologies for development in the world, which require a new kind of higher level criteria for quality living involving the use of natural, renewable sources of energy, we have strategically, directed our efforts towards the construction of environmentally friendly, or 'green'-ecological housing. Following the trend of the 21st century, for using the most up to date practices and innovations, we have so far created energetically efficient residential buildings and complexes, which represent a pioneering effort in the Republic of Macedonia. Our energy efficient apartment blocks in Macedonia save our buyers and customers a huge amount of money every single day, month and year. This is achieved by the passive consumption of energy, the ecologically minded architecture and the advanced systems of insulation for saving energy. The ultimate goal is to achieve multiple effects by applying only a single element of the energy efficiency. Namely, first of all give back more to our buyers in return for their belief and trust which they show in our

company by selecting our apartments, to protect and preserve the environment by avoiding pollution and emissions of harmful gases, and finally to raise awareness among the citizens and the wider community in general, of a healthier, economically sound and higher quality residential living. Even though the ecological residential blocks have become the trademark of our company, we constantly strive not to significantly raise the purchase price of the apartments, meaning that in the process of construct-

“By purchasing such apartments owners provided quality housing not only for themselves, but also for future generations

*Prof. Vancho Chifliganec,
Ph.D., General Manager
of ADORA - Engineering*

ing the energy efficient buildings we had to make further investments, additionally burdening our costs. In the construction industry, we have become well-known and recognizable for our environmentally friendly apartment blocks and this is our greatest advantage as a result of which we are preferred by our customers.

The residential and office blocks constructed by ADORA-Engineering, have external heat insulation, which cuts down the costs of heating by 50-80 percent. The external insulation consists of graphite Styrofoam with improved thermal-insulation features. Our measures and analyses show that on average for a single

apartment with an area of 50 m², having an insulated wall of 19 cm thickness, the amount of saved energy in a year equals approximately 250 Euros-an average Macedonian monthly salary. These analyses indicate that more than 50 % of the energy for heating can be saved. Regarding the waste of energy, we have significantly curbed the waste of heating energy, such as the kind wasted through transmission and by opening windows, which amounts to more than 50% in a single building, by using multilayered four-season glass.

“After we had moved in our new apartment that we purchased from ADORA-Engineering, and following a severely cold winter with ice and snow, since we use electricity for heating, as soon as we received our electricity bills we were pleasantly surprised. Contrary to our expectations that the bills would be high, it turned out that the amounts payable were quite low. For instance, previously we were accustomed to pay around 100 euro per month for electricity, now the bills amounted to 40-50 euro”, a buyer of an apartment constructed by ADORA Engineering. Discussing the benefits and advantages that the high-quality and energy efficient apartments offer to their customers, Prof. Vancho Chifliganec, Ph.D., General Manager of ADORA-Engineering, said to the owners of the apartments that by purchasing such apartments they have provided quality housing not only for themselves, but also for future generations, a high quality home which is, above all, cost-effective and constructed according to the latest state-of-the-art technologies and ecological standards.

The company is a pioneer in the construction industry in Macedonia, in that it has introduced new technologies, such as the photovoltaic systems, which represent a new source of lighting in the collective areas of residential blocks. This new source of lighting saves energy without electricity bills, which eliminates the potential problems among the apartment block dwellers. The photovoltaic systems are used to generate power, which in turn is used to provide lighting in corridors, entrances, staircases, parking spaces, all kinds of common areas in the building and its surroundings.

“With an installed power of 2,94 KW and on average daily production of 11 KW/h, the system has been projected to satisfy the continuous power demands of the consumers, and reduced power consumption of electricity for common requirements. If we take a single one-off power consumption for common requirements of 30KW and an average daily consumption of 90KW/h, it is evident that the saved energy amounts to 5%”, announced our expert employed in the power-energy sector at ADORA-Engineering.

The importance of the photovoltaic systems was confirmed during the extremely long and cold winter of 2012. During the severe winter, the government enforced power restrictions due to the huge increase in electricity consumption. When whole municipalities of the city, even the city center, the boulevards in the capital city Skopje were rendered in total darkness, the residential and office buildings of ADORA-Engineering remained the only illuminated places in the city.

As a company dedicated to CSR (Corporate Social Responsibility), we strive to confirm our constant care for improving and beautifying residential areas in order to enhance the quality of living of our apartment dwellers and citizens. Regarding the social responsibility practices and concern for the environment of ADORA-Engineering, the following bear witness to their achievements in this domain: two Clock Towers, in Skopje and in Strumica, the fountain “Macedonia” in Skopje, the numerous green

areas surrounding all of our residential and office complexes throughout Macedonia.

Following the launching of our cost-effective, energy saving buildings and the green-ecological housing complexes in Macedonia, our resolve to continuously care for our customer needs and environment by utilizing the latest technological innovations and natural renewable sources of energy, as well as saving energy by passive consumption, has become the top priority in our overall business strategy. With our latest construction projects, we would like to contribute to the creation of a healthier future for coming generations by providing safer, nicer and happier residential areas than the existing ones for current and future generations. Our customers expect our company to provide a SAFE QUALITY HOME THAT WILL ALSO SAVE THEM MONEY. Through the process of achieving this goal, we protect the environment from the fierce attack of contemporary living, we are secure in our belief that we are on the right track leading not only to our success, but also to the success of humanity as a whole.

Our motto is that ONLY DEEDS LEAD TO THE TRUTH! Actions that will remain in the collective memory and will bear testimony on the current and future generations in the Republic of Macedonia.



The company **ADORA - Engineering, Ltd. Skopje**, is an internationally certified and licensed for all kinds of high rise construction,

which applies the standards ISO 9001 and ISO 14001. It is one of the leading companies in the construction industry in the Republic of Macedonia. In 2011, the company was ranked 20th on the list of most successful companies in the Republic of Macedonia, and was proclaimed to be the Investor of the Year, for the years 2010 and 2011. So far, more than 1000 elite apartments have been constructed by this company, which possess the following main characteristics: energy efficiency, ecological housing, and concern for the seismic stability during construction and, world standard quality. Our mission and vision is the application of state-of-the-art solutions to the construction of quality housing together with conducting socially responsible practices. Bearing testimony to the realization of our mission, is that ADORA - Engineering received the National Award by the CSR in the years 2008 and 2010, in the category of environment and energy efficiency, for investing in the community and for staff and employee relations.

www.adora.com.mk

Partnership to Build and Operate an Eco-friendly Plant

by **Dominique Héron**,
VP for Institutional Partnerships,
Veolia Environnement
and **Benoît Papy**, CEO CLE Brasil



ArcelorMittal-Veolia Environnement partnership at ArcelorMittal Vega: building and operating an eco-friendly plant



In 2001, the French steel making group Usinor, now part of ArcelorMittal, designed a Greenfield project to be carried out in the city of São Francisco do Sul, in the coastal state of Santa Catarina in Brazil. The construction of the ArcelorMittal Vega industrial estate was to comprise a cold-rolling and galvanizing line.

São Francisco do Sul is situated on the northern end of the island of São Francisco do Sul at the entrance to the Bay of Babitonga. It comprises a protected natural area of high biodiversity. The construction of the ArcelorMittal Vega plant thus implied a thorough consideration of the site's environmental setting and of the impact of the production activities on the surrounding fauna and flora.

Devising a sustainable partnership with specialized competencies

On setting up the ArcelorMittal Vega plant, ArcelorMittal Brasil was determined to build an industrial unit which would be totally integrated with the environment. The actual plant occupies an area of 100,000 square meters, which represents less than 5% of the 2.2 million square meter property covered in natural forests.

ArcelorMittal Brasil's strategy was to concentrate exclusively on the company's main field of activity – steel transformation, and outsource all the utilities supplied to the plant (water, energy, waste).

The contractor was to manage the investment, construction and operation of the site's multi-utility facility through a 15-year Design, Build, Finance and Operate (DBFO) contract. Competencies required by ArcelorMittal included a good track record of technical expertise for the comprehensive set of environmental services, a strong commitment to environmental responsibility, as well as good local knowledge and experience of operating in Brazil.

Veolia Environnement's water division rose to this environmental challenge and joined forces with the group's energy and solid waste management divisions, Dalkia Et Veolia Environmental Services, to form a special purpose subsidiary, CLE Brasil, which would have all

the qualities needed to carry out the assignment.

CLE Brasil was retained by ArcelorMittal and the 15-year DBFO contract was signed in May 2002. Together both companies set out to devise a sustainable solution for the management of ArcelorMittal Vega's utilities. The facility was to cover distribution of water, distribution of electricity, distribution of gases (compressed air, natural gas, nitrogen, and hydrogen) and management of liquid and solid waste.

A partnership relying on sound teamwork on both sides

Acknowledging the fact that corporate responsibility implies respecting the local context of an assignment, CLE Brasil set up a team of 60 associates, most of whom were recruited locally.

CLE Brasil also worked hand in hand with local suppliers for the delivery and production of utilities:

- Air Products Brasil for the procurement of the equipment used to produce industrial gases;
 - WWS Brasil, ABB Brasil and JPE Brasil for the procurement of other equipment.
- ArcelorMittal engaged its staff in the environmental issues at stake by designing an environmental education program. The ArcelorMittal Vega Environmental Education Program targeted the company's staff as well as a number of different stakeholders (students, teachers, employees' children, and

the community), to raise people's awareness about environmental issues and to develop their interest in protecting nature.

Construction and operating of the ArcelorMittal Vega plant and its utilities facility

As soon as ArcelorMittal chose to collaborate with CLE Brasil both companies immediately began working together in the design process of the ArcelorMittal Vega plant.

The construction of the multiple utility facilities was achieved at the end of 2002, and ArcelorMittal Vega became operational at the

beginning of the second half of 2003 with the beginning of steel transformation operations. By November 2003 all facilities on the plant were in operation and ArcelorMittal Vega was officially inaugurated in April of the following year. The plant's annual production is 880,000 tons of pickled, cold rolled and galvanized steel.

In 2003 CLE Brasil obtained the ISO 14001 environmental management certification, and well as the OHSAS 18001 safety certification and the ISO 9001 quality certification. In November 2009 a first extension of the utilities facility was carried out, followed by the inauguration of a second galvanization line on the ArcelorMittal Vega plant the next year. The construction of a third galvanization line is planned for 2014, requiring the completion of a further extension the utilities facility in 2013.

Environmental performance of the plant and of its utilities facility

ArcelorMittal and CLE Brasil's sound cooperation on the ArcelorMittal Vega project ensured the Greenfield project was completed in the utmost respect for the surrounding environment.

The partnership between two specialized industrial groups ensured optimum technical innovation and value creation for the ArcelorMittal Vega project. The utilities facility delivers all the services required for the functioning of the plant, and its management was designed to maximize best practices on the protection of the plant's surroundings.

The ArcelorMittal Vega steel transformation plant is becoming a benchmark concerning environmental performance for the use of utilities. For instance, regarding the use of water resources, CLE Brasil designed a water management system in close collaboration with ArcelorMittal Brasil, and the site's consumption of water per ton of steel produced has continuously dropped since the plant's inauguration. The water recirculation system is currently enabling a reuse rate of 98.8 % (exceeding the initial target of 98.5%), which means only 1.2 % of the water used in production is actually withdrawn from the environment. Both companies are working together to reach a 100% water reuse rate by 2014.

In addition to the rationalization of energy and water consumption, special attention was given to minimizing waste discharge and its impacts. The average rate of treated effluent is lower than the maximal limit of 89% as determined by local environmental regulation. The final waste disposal method for solid waste was jointly determined between CLE Brasil and ArcelorMittal and aimed at the maximum reuse and recycling. The solid waste generated in the production process is packed in appropriate containers along the production lines and temporarily stored in a warehouse, from where they are sent to their final destination, according to the classification of each waste material. 95 % of this solid waste is currently recycled (only 5% is sent to landfill).

As a result of these achievements, the gradual increase in steel production at ArcelorMittal Vega over the last seven years has been

“Thanks to synergies in our management of energy, water and waste, Veolia Environnement aspires to deliver innovative technologies to serve environmental performance in complex industrial facilities

Jean-Michel Herrewyn, CEO Veolia Water

”

achieved along with protection of biodiversity on the site.

The ArcelorMittal – Veolia Environnement partnership was brought on by strong business drivers

In 2001 environmental concerns over industrial activities was already rapidly spreading and regulation was tightening accordingly. ArcelorMittal acknowledged the need to keep ahead of regulations, thus compliance and anticipation were key business drivers for

ArcelorMittal to form this partnership with CLE Brasil.

Business Efficiency was another key driver on ArcelorMittal's behalf, as by entrusting CLE Brasil with the construction and operation of the utilities facilities it could focus its resources on its core activity of transforming steel. Entrusting the investment, construction, and operations of the technical platform to Veolia Environnement ensured security of supply of the necessary utilities.

On Veolia Environnement's side, obtaining competitive advantages by developing a state-of-the-art installation for utilities was the main driver to form this partnership. CLE Brasil was also the group's first entity to obtain triple certification.

ArcelorMittal Brasil's strategy in this partnership was define the contract for the production and distribution of utilities at the very beginning of the site's design, so the management of the utilities installation was in line with the management of the rest of the industrial estate.

ArcelorMittal

VEOLIA
ENVIRONNEMENT

The ArcelorMittal group's comprehensive product and services portfolio range from flat steel to long steel, in the transformation, distribution, and trading sectors. The company has an industrial presence in over 20 countries spanning 4 continents, and operations in more than 60 countries, thus covering all major steel markets. ArcelorMittal is fully committed to corporate responsibility; the company's key vision is the promise of "transforming tomorrow" by producing safe and sustainable steel.

www.arcelormittal.com

Veolia Environnement is a 150-year old multinational French company which comprises 4 business activities: water supply and water management, waste management, energy, and transportation services. The world's biggest supplier of environmental services, Veolia Environnement combines technical excellence and environmentally sound solutions.

www.veoliaes.com

From Nature to People, From People to Nature

by **Alexander Chobanov**,
Human Resources Director,
Assarel Medet JSC

Corporate social responsibility is our cause! For us it means "Achieving corporate success respecting moral values and satisfying the ethical, legal, environmental and social expectations of society towards the company".

The company has defined its policy to several strategic objectives:

- Ensuring the conformity of the mining operations with the environment protection through efficient, full value and comprehensive utilization of mineral resources and reasonable and effective consumption of the other resources such as water, electric power, raw materials and materials.
- Studying the best experiences and applying advanced technologies in order to achieve harmony and balance between mining operations and environment and their conflict-free inclusion in a conglomeration of auxiliary activities focused toward comprehensive use of forests and tourism.
- Efficient monitoring through the use of the first in the country environmental system built in 1988 and application of a preventive approach for water and air protection.
- Total recultivation and rehabilitation of vegetation on areas damaged by mining activity.
- Modern management of water resources and prevention of their contamination, functioning of a reclaim water supply system and a reliable system of hydrological and purification facilities.
- Deposition of mining and processing wastes in order to ensure a phased and overall rehabilitation of damaged areas.

“Achieving corporate success respecting moral values and satisfying the ethical, legal, environmental and social expectations of society towards the company”

- Treatment of the operations, maintenance and auxiliary activities wastes through recycling, reprocessing and second use whenever this is possible.
- Continuous care for high environmental culture development, awareness of the personal responsibility and commitment of the personnel to the environment protection.

Care for the Earth

For knit team of company people who work and live here with their families, the company motto "Nature to People, from People to Nature" is deeply understood and shared understanding of priority concern for the environment:

1. For the first time in the country is carried out technical and biological recultivation of the existing mining facility - Oxide dump. Reliable anti-filtration curtains were constructed to capture drainage water in the area of the Oxide dump, as well as large-scale technical recultivation and resloping of the West dump.
2. Technical and biological recultivation on the dry slope of Lyulyakovitsa tailings dam. The tailings dam is equipped with the most contemporary automated system for monitoring the status of the wall stability.

Investing in eco-innovation

1. Among the main mining equipment in Assarel mine nowadays operate high-performance drilling technique of Atlas Copco - Sweden, and Driltech - produced in the USA and supplied by Sandvik - Sweden, with a diameter of the bits

250 mm, as well as highly productive mining transportation equipment - the biggest front-end wheel loader in the world of Caterpillar - USA, with volume of the bucket 17 cubic meters, the biggest in Europe electrical excavators of Liebherr - Germany, with bucket capacity of 17 cubic meters and 130-ton BelAz trucks - Belarus, with Cummins engines.

2. In Assarel concentrator today are in operation the first for the Northern hemisphere flotation machines of last generation Wemco - UK, with volume of 160 cubic meters, high revolutions cone crusher MP 800 of Metso Minerals - USA, cyclones KREBS - produced in the USA, a new generation filter press by Metso Minerals - Sweden - the first in the ore mining in the country.
3. In Assarel mine and Assarel concentrator are implemented automated systems for management and control of the technological processes, which ensure high efficiency and performance, delivered respectively by Wenco - Canada and Siemens - Germany.
4. New Cyclic-flow technology for transportation of overburden with capacity of 5 000 t/h, on a project of Krupp - Germany, with which not only the transportation efficiency is increased with 24%, but also the harmful emissions from vehicles exhaust gases are reduced with 40.9%;
5. Installation for extraction and electrolysis of copper from mine water on a project of Outotech - Finland, with an annual capacity for production of 1 500 - 2 000 tons of copper cathodes with 99,99% copper grade, which is the only one in Bulgaria and the most modern one in the European Union.

Implementation of new environmental technologies

Innovations and modernization of equipment and technology provide higher efficiency of production, based on which is currently under development a new project for more complete utilization of the available resources of copper ore in the area of the company with much lower metal content.

Besides copper flotation concentrate with 25% copper grade, the company now produces cathode copper with the highest purity of 99,99% through the new high-tech and environmental installation for extraction and electrolysis of copper from mine /drainage/ water, which by project should have been treated in the treatment plants of the company.

This meets one of the global challenges facing the mining industry for maximum full utilization of the mineral resources and implementation of environmentally friendly technologies/ Hydrometallurgy/. The first cathode copper was produced on 19.12. 2010.

As a result of this project, we expect about twice increase of the reserves of copper ore, making full use of ores with low copper grades and about twice extending the life of the mine compared to the original project, which is crucial for the Bulgarian economy and the socio-economic development of the region.

Results:

- From 1999 to 2010 eco projects were fulfilled for over 25 million EUR
- The country's first complex ecological station - established in 1988 in partnership with the Bulgarian Academy of Science - 10 years before this was legally required
- Successfully completed program for removal of old environmental damages /2000-2010/
- Annual programs for new environmental projects, including large-scale recultivation
- Following an investment of more than 50 million EUR for the construction of new Cyclic-flow technology - environmental impact of reducing emissions from vehicle exhaust by 40.9%
- Reduction of specific consumption of electricity in the Concentrator of the company with over 36%
- Alignment of all parameters of the components of the environment around the company within the limit concentrations, including water, gas components and metal aerosols in the air.

As a result of the realized modernization program, Assarel-Medet actually contributes to reducing carbon footprint on environment with a significant contribution to the country's transition to a low carbon economy and was certified by the Ministry of Economy Energy and Tourism.



Assarel Medet JSC started its production activity since 29.12.1964 and today annually produces the largest volume of mining mass in the Bulgarian ore mining and processes approximately 13 million tons of copper ore, ensuring sustainable development and production with maximum utilization of mineral resources of the Assarel deposit.

The company first in the Bulgarian heavy industry operated in accordance with an Integrated system for management.

The motto "From Nature to People, from People to Nature" brings together the efforts of our team of 1200 professionals and further 400 employees in the subsidiaries and joint companies, based on the deeply realized understanding for the inseparable link and vital interdependence between people and nature, of people who work and live in the region with their families.

www.asarel.com

Energy from the Sun at Athens International Airport

by **Dimitris Dolapsakis**,
Manager Asset Management,
Athens International Airport S.A.

Athens International Airport's Photovoltaic (PV) Park of 8MWp, the largest unified PV installation at an airport worldwide operates since July 2011.

In the words of our CEO Dr. Yiannis Parschis: "Ten years since the beginning of operations of our airport, it gives us great pleasure to see the opening of our PV Park, marking our continuous and dynamic investment in environmental management and development, with a focus on renewable energy sources. Having started in 2003, we have to date achieved a significant reduction in the company's electrical consumption by more than 25%. For the future, within the framework of our actions against climate change, we are exploring the possibility of using other alternative or renewable energy sources such as geothermal energy and co-generation, targeting a further reduction of the airport's carbon footprint, based on the principles of energy effectiveness".

The goal of developing energy efficient and environmental friendly solutions has gained a leading role in the airport's sustainability agenda, always in accordance with our corporate mission. But before considering adding energy-producing facilities, AIA set the priority objective of energy efficiency. Through a number of targeted actions, AIA followed a plan since 2002 to continuously reduce electricity consumption, the corresponding costs and carbon emissions. These actions included locating and eliminating unrecorded or wasted energy outputs, ensuring that no energy was consumed without cost-allocation, replacing older technology with newer more efficient devices etc. For its energy saving actions and programmes, AIA also gained international re-

cognition by the European Commission (2004 GreenLight Award).

How to produce energy in an airport

When considering that airports are in fact airport cities which are energy-dependent, on a 24/7 basis, it makes sense to combine the energy-demand with the energy-production capabilities of an airport.

“The PV Park marks our continuous and dynamic investment in environmental management and development, with a focus on renewable energy sources”

The operation of the Athens International Airport, as with most airports, peaks during daytime and reaches a low at night time. The PV Park does exactly the same. Its production peaks towards midday and stops at sunset. This almost absolute correlation of the airport's daily energy demand with the PV Park's energy production rendered PV an attractive energy choice. Furthermore, in our case, this correlation exists on a seasonal level: in the summer, as the airport's electricity needs rise, so does the production of the PV Park, thus contributing peak power when it is most needed.

The energy produced is fed to the airport's electrical grid. It is generally deemed more logical and efficient to produce the required energy as close to the point of consumption as possible. This reduces transmission costs and losses on a local and national level. In addition, an alternative power source is provided offering diversification that ensures increased redundancy and power manageability.

All above spell nothing less than imminent operational advantages and additional financial benefits. In other words: aviation and eco-friendly energy in harmony.

The project

In order to reach the stage of implementation, AIA studied the PV technology and its possible application in the airport for a number of years. In 2004, AIA installed and operated a pilot PV unit, of 5kWp, for research purposes. The results were more than promising. However, in order to put the large project on the tracks, AIA had to undergo a rigorous process of studies and approvals by the competent State Authorities, including the Hellenic Civil Aviation Authority, which lasted about 4 years.

The process leading to the construction of the PV Park commenced in June 2006 with the voting of the relevant Law. All necessary approvals were granted and the respective Airport Master Plan modifications were implemented, in order to accommodate such a large facility. The official license to AIA for energy production was granted in September 2009. Subsequently, the international tender process for the construction of the facility was initiated. The implementation was awarded to BIOSAR Energy; a company specialized in large PV installations. The actual construction began in February 2011 and was concluded in July of the same year.

The Photovoltaic Park construction required 66,500 man-hours, during which there were zero accidents and no impact on the smooth operation of the airport. The final investment amounted to approximately 20 million Euros and was self-funded.

The PV Park

AIA's PV Park, located on the southeast side of the airport, is a massive facility visible by almost all passengers flying in and out. The 8MWp facility has been developed on an area of 160,000m² within the airport site, east of the eastern runway. The land used for the project has no alternative use, given that it is located on the airside section of the airport, where no other developments can ever take place, apart from runway-related improvements. PV installations can prove to be the most opportune exploitation of the sizeable and sometimes vast arid land that airports are obliged to maintain on the airside.

The PV Park produces, daily, anywhere between 20-50.000kWh, depending on the season. The PV Park has been designed to produce energy equivalent to 9% of the total airport consumption needs and will reduce CO₂ emissions by at least 10,000 tonnes per year, for a period of at least 25 years. To indicate the scale of the reduction, it would take 1.5 million trees in order to absorb the same amount CO₂ on an annual basis.

The facility comprises of 28,740 panels of 280Wp each that convert sunlight to electrical dc-current. The panels face the south and are installed on fixed structures. They are constructed to withstand strong winds and hail and have a very low reflectivity factor (much lower than most objects to be found in an airport). They are of the highest quality and are covered by a minimum of 20-year warranty. The panels convert the sunlight to electrical dc-current.

The inverters, in turn, receive this dc-current and convert it to ac-power, which is then up-scaled to 20kV, with very few losses at a rate of 97-98% efficiency. There are 12 inverters of 630kW, 7 substations, 7,600 supporting structures and over 270km of power cables.

For the first six months of operation in 2011, our PV plant has produced 6,746MWh, 12% higher than anticipated for the same time period.

Future outlook

AIA's energy strategy is focused on cost-effective smart-energy concepts and is, thus, fully aligned with the company's actions against climate change. In terms of energy-production, AIA aims to further reduce its dependence on traditional forms of energy by adopting green alternatives, through a series of specific plans and actions.

Within that context, AIA explores the possibility of using other alternative or renewable energy sources, targeting a further reduction of the airport's carbon footprint, based on the principles of energy effectiveness.

Current options include energy production through gas-fired co-generation plants, through biomass/biogas and wind-generators. Furthermore, future expansions of the PV Park are not excluded from the agenda.

We produce sustainable energy and we consume it responsibly. We constantly investigate the application of new technologies related to energy consumption. A number of power improvement and energy efficiency projects are under way, making sure that Athens International Airport is on the edge of technology and pays its greatest respects to the environment.



Athens International Airport S.A. (AIA) was established in 1996 on the basis of a public-private partnership. AIA operates the Athens International Airport "Eleftherios Venizelos", under the supervision of the Hellenic Civil Aviation Authority. AIA is responsible to run the airport

efficiently, to act on public interest with respect to safety and service quality and to orchestrate the airport community of 13,000 employees. AIA undertakes initiatives and commitments to minimize impact from operation and development as well as to raise environmental awareness.

AIA's strategy entails the provision of high-quality services, the exploitation and development of airport assets and real-estate as well as the export of know-how to targeted markets.

www.aia.gr



Atlas Copco Helps Build Cleaner, Greener Cities

by **Karin Holmquist**,
Vice President Corporate Responsibility,
Atlas Copco

Atlas Copco's promise to customers and society can be summed up in two words: sustainable productivity. The concept covers a range of subjects: developing more energy-efficient products, improving the environmental footprint of the company's own operations, and being a responsible member of society. Innovation is the key to success for Atlas Copco in these and many other areas.

Others benefit from Atlas Copco innovation. Developing silenced drill rigs that can work close to urban areas, compressors that reuse excess heat to warm up water in factories, optimizing the setup of the company's logistics; these are all examples of where innovative thinking helps Atlas Copco contribute to cleaner, greener cities.

Environmental concerns are one of the strongest drivers for innovation in the company today, and this is the most obvious example of where business opportunities go hand in hand with sustainable development. Misusing electricity both endangers the environment and is a poor use of economic resources. Atlas Copco is committed to increasing its customers' energy efficiency by 20% by the year 2020, as well as reducing its own carbon dioxide emissions by 20% in the same period of time. Clearly there are a lot of challenges ahead to reach these goals. The following innovations show how Atlas Copco's focus on sustainability can lower the congestion and pollution associated with urban areas, thereby improving city residents' quality of life.

Improved road paving

When new roads are needed, Dynapac's innovative Compactas-

phalt method allows two layers of asphalt to be applied at the same time. This technology actually uses less asphalt, by making it possible for the top layer to be thinner. Just as importantly, the road surface lasts longer, thanks to better interlocking of the two layers, improving durability.

Electric tools help reduce fuel consumption

Electric tools play an important role in the automotive industry's quest for sustainability. They can tighten bolts to the maximum of the clamp load, which means smaller screws can be used. With smaller screws, cars lose weight by an average of 20kg per car. And if every car produced were 20kg lighter, global fuel consumption would be 12 billion liters less per year – the equivalent of five oil tankers filled to capacity – a potentially significant decrease in air pollution.

Quieter rock drilling

Atlas Copco's silent drills are ideal for creating new mass transit systems without subjecting neighbors to the noise of constant rock drilling. The Silenced SmartRig's powerful drill comes encased in a sound-dampening hood. This reduces the overall noise level by about 10 decibels, making it one of the world's quietest running rigs.

Clean fuel from waste

Using the gas given off by landfills or other decomposing waste represents a smart way to reduce carbon emissions. Atlas Copco GreenField technologies compress bio-methane so that it can be injected into the natural gas grid, or used in filling stations for

vehicles that run on compressed natural gas. Switching vehicles from gasoline to bio-methane fuel reduces CO₂ emissions by about 95%.

Safer construction projects

During construction work in crowded residential neighborhoods, care must be taken not to disturb the existing buildings. Atlas Copco's new Elemex system minimizes the air that escapes to the surrounding ground, during the use of down-the-hole hammers powered by compressed air. The new system improves the stability of the worksite, protecting both the existing structures and the workers themselves.

Drills for geothermal heating

Geothermal heating has long been popular in Scandinavia, and now this energy-efficient technology is spreading across the world, reducing dependence on oil. Atlas Copco's Mustang 4-F1 drill rig is specially designed for accessing underground heat sources in residential neighborhoods.

Cleaner electricity

Cities demand electricity, and Atlas Copco can help them generate it in greener ways. Atlas Copco's turbines and generators are now being used in geothermal power plants that emit no carbon dioxide. Two power plants in Nevada, U.S., for example, use a closed system. They extract hot water from a geothermal well, vaporize a fluid to turn the electric generators, and then return the hot water below ground.

New compressors boast power to reduce energy consumption

In 2009, Atlas Copco launched a water-cooled oil-free compressor with built-in energy recovery. When working at specific design conditions¹ the compressor is capable of offsetting much of the electrical energy input. By capturing and re-using the hot water produced by the compressor, the new technology can mean significantly reduced energy costs for a number of industries.

"Today our customers face stringent targets to reduce carbon dioxide emissions. The new compressor, which allows our customer to use the hot water from the compressor in its industrial processes without having to heat up the water separately, will have significant impact towards preserving the environment and also on our customers' bottom line", says Stephan Kuhn, President of Atlas Copco's Compressor Technique business area.

Most industries can make use of hot water for space heating, showers and other such applications that typically consume electricity. The compressors will provide the most significant cost savings for industries using a great deal of hot water and steam in their processes, such as food and beverage, pulp and paper, chemicals and power plants.

Pharmaceutical production at Teva Czech Industries s.r.o. uses carbon-free compression and, in doing so, saves a fortune on heating costs.

Teva Czech Industries, a subsidiary of global pharmaceutical giant Teva, likes to save – in terms of money and the environment. Based in Opava, Komarov, the northeastern part of the Czech Republic, the company mainly produces generic medicinal preparations. A longtime Atlas Copco customer, the company has recently installed an oil-free Carbon Zero compressor – and covered the cost through energy savings in less than a year.

Why commit so many resources to this technology? Atlas Copco water-cooled oil-free air compressors can offset almost all their energy consumption through the industrial use of the heat captured by the compressors.

For Teva Czech Industries, the savings have been immense. Currently, energy prices are at about 1 EUR (10 SEK) per kilowatt-hour, and if the waste heat transfer system is used at least 60% of the time, the yearly savings on heating bills total EUR 60 000 (SEK 600 000). With that kind of result, the company sees a return on investment in less than one year.

¹ Specific design conditions: 40°C ambient temperature, 70% relative humidity, 20°C cooling water temperature, outlet pressure of 10 bar(e)/145psig.

Atlas Copco is an industrial group with world-leading positions in compressors, expanders and air treatment systems, construction and mining equipment, power tools and assembly systems. With innovative products and services, Atlas Copco delivers solutions for sustainable productivity, which means that it ensures reliable, lasting results with responsible use of resources; human, natural and capital. Atlas Copco's vision is to become and remain First in Mind-First in Choice® for its stakeholders. The company was founded in 1873, is based in Stockholm, Sweden and has a global reach spanning more than 170 countries. In 2010, Atlas Copco had 33 000 employees and revenues of BSEK 70 (BEUR 7.3).

www.atlascopco.com

Audi Balanced Mobility - The Route to CO₂-neutral Mobility

by **Elise Pham**,
Press Spokeswoman for Corporate Responsibility
and **Dr. Peter F. Tropschuh**,
Head of Corporate Responsibility,
AUDI AG



With its sustainability initiative, "balanced mobility", Audi wants to take a leading role when it comes to the sustainable use of natural resources – the ultimate goal being CO₂-neutral mobility.

Rupert Stadler, Chairman of the Board of Management at AUDI AG, sums up the task as follows: "Ecology and economy in harmony – that is the greatest challenge of the future. As

a car manufacturer, our task is to bring all aspects of individual mobility into balance – with people, with their new values and with the environment." The Audi e-gas project is a milestone along this route. With this project, Audi is the first car manufacturer to develop an entire chain of sustainable energy sources. This chain begins with wind power, continues with clean electricity for Audi e-tron vehicles and hydrogen for future fuel cell concepts and ultimately leads to methane gas. This

synthetically produced methane, known as e-gas at Audi, is chemically identical to natural gas (CNG: Compressed Natural Gas) and can therefore be used in natural-gas vehicles for climate-friendly mobility. The e-gas is distributed via the public gas network.

In 2013, Audi will launch the A3 TCNG – the brand's first production car to run on natural gas, biomethane or e-gas. The huge advantage of using e-gas is the excellent well-to-wheel balance, which considers emissions from fuel production through to tailpipe exhaust. In this analysis, CO₂ emissions produced by the A3 TCNG work out at just 27 grams per kilometre.

Wind turbines are the first major component of the Audi e-gas project. In order to generate additional "green electricity", Audi is financing four wind power plants in an offshore wind farm in the North Sea. These wind turbines each have a capacity of 3.6 megawatts and from 2013 will be able to supply around 50 GWh of electricity per year to the public grid – equivalent to the requirements of a medium-sized city. One

of Audi's goals is to produce its electrically powered e-tron models with green electricity in the future and to provide sufficient sustainably generated electricity to operate them.

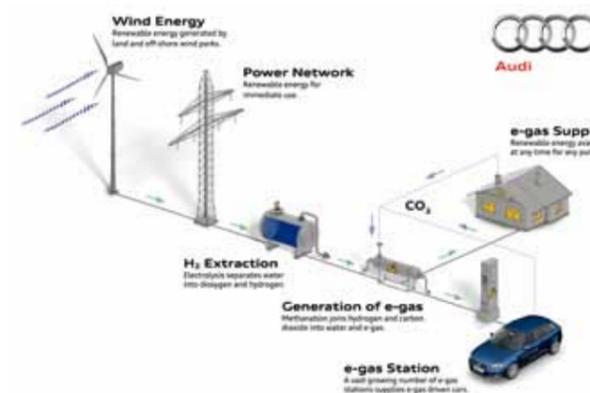
For example, a portion of the power from the four wind power plants could be used to produce 1,000 Audi A1 e-tron cars and run them for 10,000 km per year.

Furthermore, surplus wind power is used to produce climate-friendly e-gas. The first plant of its kind in the world will go into operation in Werlte (Emsland) in

2013 and will be able to utilise up to 6.3 MW of surplus electricity – including power generated by the nearby Audi wind turbines. The e-gas facility consists of two main components, the first being the electrolyser, which splits water in its two constituent elements of hydrogen and oxygen.

The hydrogen could be used directly in the future to drive fuel cell vehicles such as the Audi Q5 HFC (hybrid fuel cell) technology platform. At present, however, there is no appropriate supply infrastructure. The hydrogen will consequently not be used directly at this stage – instead it will be fed into a storage tank and onward to a methanation plant, where it

“Use surplus eco-electricity and convert CO₂ into fuel – this idea behind the Audi e-gas project has enormous potential”



will be combined in a catalytic process with carbon dioxide (CO₂) from a neighbouring waste biogas facility to create e-gas.

The planned plant will be able to produce around 1,000 metric tons of e-gas per year, binding 2,800 metric tons of CO₂. In addition, around 4,000 metric tons of oxygen per year will be generated as a by-product.

"The coupling of electricity and gas will enable us to store large quantities of wind and solar energy. This approach will deliver a substantial impetus to the expansion of renewable energies," says Michael Dick, Member of the Board of Management for Technical Development at AUDI AG. "We are taking the initiative ourselves and complementing approaches to e-mobility with a climate-friendly concept for long distances."

The Audi e-gas is suitable for use in upcoming natural-gas vehicles from Audi such as the A3 Sportback 1.4 TCNG, which Audi presented at the 2012 Geneva Motor Show as a technology model. A pioneering concept for climate-friendly long-distance mobility: its forced-induction 1.4-litre petrol engine delivers 81 kW (110 hp) and produces 200 Nm of torque – enough for a sprint from zero to 100 km/h in a little more than 11 seconds and a top speed of over 190 km/h. But the major advancement lies in its fuel consumption: the A3 1.4 TCNG requires an average of 3.6 kilograms of regenerative gas per 100 kilometres.

With the anticipated volume of gas from the pilot plant in Werlte, 1,500 A3 TCNG cars will each be able to drive more than 15,000 km per year, with another 150 metric tons of e-gas left over.

"The results of the Audi e-gas project are extremely attractive: overall, the chain of clean energy sources with the new e-tron and TCNG models will facilitate far in excess of 30 million kilometres of climate-neutral driving every year," explains Reiner Mangold, head of the Audi e-gas project.

The Audi e-gas project can also answer unsolved questions concerning sustainable energy management. The future of

Germany's energy supply belongs to renewable sources of energy. However, the production of these energy sources is subject to natural fluctuations that will become more and more difficult to offset as their share in electricity generation increases. The concept of methanation using these surplus quantities of regenerative energy solves the problem: the electricity grid is practically coupled with the underground gas network, where surplus capacities can be stored for months at a time. The gas network has the capacity to store an incredible 217 terawatt hours (TWh) of energy, whereas today's electrical storage solutions can handle only 0.04 TWh. The energy can be reconverted and returned from the gas network to the electricity grid at any time and precisely where the electricity is needed.

Following three years of intensive research, the Audi e-gas project is now entering the practical phase. The aim is to start feeding e-gas into the general natural-gas network by the end of 2013 – coupling the electricity grid and gas network for the first time.

An important step for Audi on the route to CO₂-neutral mobility that once again demonstrates the company's "Vorsprung durch Technik".



Audi currently employs around 64,000 people worldwide and delivered 1,302,659 cars of the Audi brand to customers in 2011. The company produces vehicles in Ingolstadt and Neckarsulm (Germany), Győr (Hungary), Changchun (China), Brussels (Belgium), Bratislava (Slovakia) and will start production in Foshan (China) in late 2013 and in Mexico in 2016. In 2011 Audi posted revenue of euro 44.1 billion and an operating profit of euro 5.3 billion. Between 2012 and 2016 the brand with the four rings is planning to invest a total of euro 13 billion in order to sustain the company's technological lead embodied in its "Vorsprung durch Technik" slogan. Audi has long been fulfilling its social responsibility on many levels – with the aim of making the future worth living for generations to come.

www.audi.com

Austrian Post Introduces Carbon-neutral Delivery

by **Harald Hagenauer**,
Head of Investor Relations,
Austrian Post



Austrian Post is aware of its responsibility to the environment. For this reason, it continually strives to identify potential optimisation in order to minimise its ecological footprint. In addition to comprehensive measures implemented on its own, Austrian Post also actively participates in projects such as the "Greenhouse Gas Reduction Programme" promoted by the European Association of Public Postal Operators PostEurop, as well as the "Environmental Measurement and Monitoring System (EMMS)" of the International Post-Corporation (IPC), which both aim to reduce greenhouse gas emissions.

As the largest logistics company in the country, the energy-intensive business of Austrian Post caused approximately 95,000t of CO₂ emissions in 2010. Operating buildings and distribution centres account for 35,000t and 40,000t arise from the company's own vehicle fleet. Austrian Post is setting a good example to show how to reduce these greenhouse gas emissions as much as possible.

Since 2011, all letters, parcels and direct mail items in Austria, without exception, are being delivered in a carbon neutral manner. This initiative is being implemented in a three-phase programme. "The top priority is always to **avoid emissions in the company's core processes**, i.e. primarily in its buildings and vehicle fleet. The second step is to increasingly rely on alternative energy sources. They are extensively expanding their fleet of electric-powered vehicles in the upcoming years – per end of February, 2012, Austrian Post's fleet contains 18 electric cars and 247 single-track e-vehicles. Third, **all emissions which cannot be avoided at the present time will be compensated by support provided to recognised and certified climate protection projects**", says Harald Hagenauer, who is responsible for

corporate social responsibility initiatives at Austrian Post. In any case, the emission reduction targets are quite ambitious. From 2008 to 2020, CO₂ emissions (incl. transport companies) are to be reduced by 20%. At the same time, Austrian Post aims to further optimise its internal environmental management system and take advantage of its position in society as one of the most important service companies in the country in order to build awareness among its customers, employees and business partners. In order to ensure that the targeted positive environmental impact is actually achieved, the entire initiative CARBON NEUTRAL DELIVERY is being supported, monitored and verified by independent experts of TÜV AUSTRIA.

Austrian Post guarantees every customer that his or her mail item – whether letter, advertising mail or parcel – is being delivered in a carbon neutral manner. Business customers will also be issued a certificate each year confirming the carbon neutral delivery of their mail items.

Environmental activities in the vehicle fleet – pioneer in the field of e-mobility

Transport operations comprise a very important component of Austrian Post's business operations. That is why it strives to make all transport activities as environmentally compatible as possible. Austrian Post boasts the largest vehicle fleet in Austria with more than 9,500 vehicles. This also includes bicycles, and some of the mail items are delivered on foot (more than 20% of all delivery areas are covered on foot or by using bicycles). Nevertheless, it is vital to sustainably exploit the inherent potential, especially in this area. For this reason, Austrian Post is continu-

ously increasing the efficiency of its vehicle fleet. In addition to the consistent expansion of the share of vehicles operating on the basis of alternative drive systems, particularly vehicles powered by natural gas or electric cars, the company is also implementing measures to keep the environmental impact of vehicles running on conventional drive systems to a minimum. An important aspect is the ongoing optimisation of route planning. Empty runs are being avoided, the capacity of deployed vehicles is being consistently improved and the number of kilometers needed to transport mail items is being reduced. At the same time, a modern vehicle fleet and regular maintenance enhance the eco-efficiency of the vehicle fleet. Austrian Post employees are also making a significant contribution to climate protection. In cooperation with the automobile association ÖAMTC, the drivers of the Austrian Post delivery vehicles are being continually trained by Austrian Post's own ECO-trainers in fuel-saving driving techniques.

Electric-powered vehicles make a major contribution to reducing greenhouse gas emission, noise and energy consumption due to the fact that electric motors function much more efficiently, are emission free and generate little noise when in operation. Moreover, state-of-the-art technology for electric cars is more advanced than ever before. For this reason, Austrian Post is in the process of significantly expanding its fleet of electric-powered vehicles. In 2011, it purchased 18 electric cars. As a consequence, Austrian Post has 265 e-vehicles in its fleet, and thus ranks among the Austrian trailblazers in the field of e-mobility. By 2015, the Austrian Post plans to integrate more than 1,000 e-vehicles in the fleet.

Solely energy from renewable energy sources

Each year, Austrian Post consumes some 160m kWh of energy, of which half is electricity and the remainder natural gas, heating oil and district heat. Since the beginning of 2012, Austrian Post has been deriving its electricity exclusively from renewable energy sources. This is because "green electricity" exploits the natural energies provided by the Earth – solar energy, hydropower, wind power, biomass and geothermal energy. In this case, power generation is environmentally compatible and virtually no greenhouse gas emissions arise. Austrian Post is also currently evaluating the potential for installing photovoltaic facilities on the roofs of its distribution centres.

Climate protection projects

Any greenhouse gas emissions which cannot be avoided despite the ongoing reductions are compensated by support provided to national and international climate protection projects. "These projects are for the explicit purpose of avoiding CO₂ and thus make an important contribution to the global CO₂ balance", says Harald Hagenauer. "In this case, we are providing support internationally to climate protection projects in emerging and developing markets. Thus, we ensure technology transfer and economic development and help to improve the standard of living in these countries".

Selected climate protection projects by Austrian post:

- Maintaining tropical forests in Malaysia and Colombia (Reforestation)
 - Positive effects:**
 - Reduction of CO₂ in the atmosphere
 - Preservation of natural habitats for unique animal and plant species
 - Job creation for the regional population
- Energy-efficient cooking stoves in Ghana and Mali (Energy efficiency, cooking stoves, prevention of deforestation)
 - Positive effects:**
 - Reduction of CO₂ emissions and less deforestation
 - Healthier cooking environment reduces the risk of illness
 - Lower fuel consumption goes easier on family budgets
- Clean energy from hydropower in India and Indonesia (Renewable energy, hydropower)
 - Positive effects:**
 - Reduced dependence on fossil fuels
 - Hundreds of jobs created in the construction phase
 - Positive impetus for the region's infrastructure
- Clean energy from wind power in India (Renewable energy, wind power)
 - Positive effects:**
 - Contribution towards the diversification of the energy supply in India
 - Creation of jobs and expansion of the local infrastructure
 - Health care and further education programmes for the population of the region



The Austrian Post is the leading provider of mail shipping services in Austria. Austrian Post's main business activities include mail and parcel shipping services as well as the provision of financial services in cooperation with its partner of many years, BAWAG P.S.K. The business area "Postbus Services" ("Postautodienst") was retroactively spun off on January 1, 2000. The Business areas "Mail", "Branch Network", "Kurier.Express.Paket (KEP)" and "Media Post" were restructured to meet market demands and have been consolidated into the "Mail", "Parcel & Logistics" and "Branch Network" Divisions. As one of Austria's largest companies, Austrian Post is aware of its responsibility towards its stakeholders and the social environment.

www.post.at

Autostrada Eksploatacja SA: Climate Neutral Motorway Maintenance

by **Renata Rychlewska**,
PR Manager
and **Jacek Dymowski**,
CSR Advisor Autostrada Eksploatacja SA

Road transport is a significant consumer of fossil fuels and a source of greenhouse gas emissions. Carbon neutral motorway? Sounds like a contradiction, but it is possible to neutralize the climate costs of motorway maintenance. It is also possible that any road maintenance in the world can be carbon neutral.

Autostrada Eksploatacja SA is an operator of A2 motorway's section in the Wielkopolska region in Poland. The company is responsible for serving customers (e.g. collecting tolls) and day-to-day monitoring and maintenance of the motorway. Maintenance means managing energy and fossil fuel consumption (e.g. motorway lighting, heating of buildings on plazas, technical cars working on the road, including snow removal processes). At the same time, the company is responsible for taking care of plants lining the motorway.

The following business approach allows the company to minimize direct (Scope 1) and indirect (Scope 2) emissions and to have enough trees and grasslands to neutralize the company's emissions:

- **Try to optimize direct and indirect emissions.** The main source of the company's emissions is electricity consumption, which it is trying to cut down. In regard to new activities related to the low carbon approach – there are plans to initiate the process of so-called "light balancing". It may significantly reduce electricity consumption. Unfortunately, due to the economic slowdown, the project has been postponed. It will

require significant investments, a sophisticated management system and it may have quite long return on investment.

Apart from that, most emissions are caused by coal burning as a source of heating and petrol and diesel powered cars. The company has begun using natural gas as a source of heating in place of coal.

“Eco-efficiency integrated in core business activities and used to mitigate increasing fuel prices means that this policy is not in the “nice to do” category anymore, but rather the “must do” category”

- **Neutralization.** The company utilizes areas around the motorway for trees and other plants to neutralize CO₂ that is produced.

The CO₂ emission estimates for companies are analyzed according to the Greenhouse Gas (GHG) Protocol (Scope 1, Scope 2) and are based on fossil fuels and electricity consumption. Apart from that, in Poland benchmarks have been set based on analyses of the amount of CO₂ which is absorbed by an average tree and 1 square meter of grass in our climatic zone. Autostrada Eksploatacja SA knows how many trees are located on the land it manages and how big the area of grass is. The rest is just simple math in order to estimate the scale of the potential emissions. It must be re-

membered that CO₂ which is produced as a result of typical fuel burning may be in general "cached" by trees or grass only for limited period of time, not forever (only small amounts of CO₂ sequestered by grass join with silicon, the majority comes back in result of the retting process; the same with trees – it is kept in the wood, but when the wood rots or is burnt,

the CO₂ will "leave" to atmosphere). Unfortunately, it means that we are able to take some amount of CO₂ from the atmosphere only for a limited period of time. On the other hand – if some amount of CO₂ is continuously sequestered even for a limited period of time, its concentration in the atmosphere is just a bit lower and reduces the greenhouse effect.

There are some aspects of the company eco-efficiency, which are out of its influence. As mentioned above, electricity is one of the main drivers of Autostrada Eksploatacja's GHG emissions. Unfortunately, majority of electricity in Poland comes from coal burning. Polish economy is based on huge reserves of coal, but low carbon technologies like CCS are still not common. It means that producing 1MWh of energy results in high emission of CO₂. Buying green energy is difficult, so the company, like most others, is operating using the "dirty" one. With regard to other aspects of eco-efficiency (such as electricity, car usage) it must be mentioned that environmental approach is only one of the dimensions of the company's responsibility. Autostrada Eksploatacja SA in its operations has to remember that it is obliged to do as much as possible to guarantee that the roads are safe for its customers. That is why it would never try to cut down lighting or reduce technical cars' routes (e.g. removing snow from the roads) if that can decrease road safety in any way. Similarly, the company would not plant trees in close proximity to the motorway (and instead only grass would be planted), because it could be potentially dangerous for drivers.

It is generally difficult to give high priority to eco-efficient activities in any company. That is why it so important to prove that eco-efficiency provides not only positive impact on the environment, but also on company's economic performance. If we give a chance for the "numbers to speak", the Chief Financial Officers (CFOs) of other companies would see that initial expenditures on such activities would be returned and the project net present value (NPV) would be high. Of course, there are other activities which are more difficult to be proven in the economic terms as, for example, planting trees to sequester CO₂. In Autostrada Eksploatacja's case, planting trees was an element of a wider social dialog strategy and the outcome of promises it took upon the start of the motorway investment.

There is plenty of other challenges to be solved (even if it does not impact company's direct emissions and is an element of Scope 3 according to GHG Protocol). For example: how to influence customers to drive in a more eco-efficient manner? In general, the motorway gives the chance to stabilize the speed of the cars which results in fuel savings. It was recently tested from the point of view of the cost of fuel: it is cheaper to drive the lorry on the motorway than choose an alternative route passing through urban areas, even if one takes the tolls into account. It means that drivers save money, fuel and protect

the environment at the same time. It also means that the task of the company is to influence drivers' behavior on the road. Fortunately, eco-driving is in line with safe driving, which Autostrada Eksploatacja promotes.

It is worth mentioning that majority of the company's environmentally friendly activities bring financial savings too (e.g. lower water and electricity usage rates in toilets mean lower bills; better technology means lower amount of salt on the roads during winter and lower cost of salt, etc.). The previously mentioned "light balancing" may bring up to 40% savings on electricity used for motorway lighting.

Eco-efficiency is to be integrated in core business activities and used to mitigate increasing fuel prices, which means that this policy is not in the "nice to do" category anymore, but rather the "must do" category if any company wants to compete in the future economy and survive on the market.



Autostrada Eksploatacja SA is an operating company acting subject to an agreement with the Concessionaire, Autostrada Wielkopolska S.A. In addition, Autostrada Eksploatacja SA is responsible for toll collection on tolled sections of A2 motorway. We employ over 350 people taking daily care of drivers taking a trip on A2 motorway, and the number of employees will rise significantly soon due to the geographical expansion.

On 20 December 2002 Autostrada Eksploatacja took over maintenance of the first section of the motorway. Now it is operating a 149,5 km long section of Nowy Tomyśl – Konin motorway. Next, 105 km long section will be taken over soon.

The company participates in the UN Global Compact and is a member of UNEP's Climate Neutral Network. Its case was presented in "A case for climate neutrality - Case studies on moving towards a low carbon economy" publication by the United Nations Environment Programme.

www.aesa.pl

Innovation for a Sustainable Mobility

by **Simonetta Giordani,**
Andrea Ragni,
Alessandra Gagliardi,
Public Affairs and Sustainability Office,
Autostrade per l'Italia

Autostrade per l'Italia has always been actively involved in the re-launching of infrastructural investments and the distribution and implementation of avant-garde technology in the viability sector.

In recent years, the Group has concentrated its efforts on the development of technological solutions for mobility services: from the Telepass system introduced in the early 1990s, which now has approximately 7.8 million users, to the development of the Safety Tutor speed control system, which has in the last few years led to a significant reduction in the number of accidents on the Italian motorway network.

In the current chronically unbalanced situation of traffic demand in which roads represent the infrastructure that is most used for the transport of people and goods at a European level, motorway operators play a central role which goes beyond managing viability aspects and has assumed a strong social value. For example, one need only think of the impact of interventions such as the opening of the third lane on a crowded motorway stretch or the improvement of safety standards following the introduction of self draining asphalt and Tutor system. Interventions in three context are required to achieve the objective of sustainable mobility: **reducing the number of movements**, in numerical and distance terms, **reducing the cost** of the most sustainable methods of transport and the **realisation of an inter-modal transport network** which enables the time involved in local, national and international journeys to be reduced.

Among the many forms of intervention that can be implemented, from traditional ones such as improving public transport and the adoption of planning tools (for example the Urban Mobility

Plan), to the more modern and innovative ones such as tariff and pricing policies, the use of technological systems known as ITS (Intelligent Transport System) for the monitoring and management of the flow of vehicles (for example routing to urban car parks, traffic reports on road networks, satellite navigation, etc.) is becoming more significant.

In order to identify innovative solutions for evolved and sustainable mobility, Autostrade per l'Italia has incorporated specific

companies, including Infoblu and Autostrade Tech, which study and develop innovative technologies and services aimed at the central themes of mobility, from monitoring networks to systems for accessing urban areas and services for the end users.

For example, Infoblu operates in the field of info-viability in order to realise innovative and reliable services for mobility through the collection of data from different sources, data processing and the wide-ranging distribution of information to users (cross platform).

Distributing quality information on the usability status of roads enables the best possible organisation in terms of time, avoiding points affected by traffic congestion and having information on accidents, open worksites and stretches involved in road works available.

Recent research has forecast that significant advantages will be derived from Info-mobility and the application of ITS systems, such as (in an optimum context):

- an increase of almost 10% in the transport capacity of the networks
- a 20% reduction in journey times

“*Study and develop innovative technologies and services aimed at identifying innovative solutions for evolved and sustainable mobility*”

- a 15% improvement in safety levels and transport conditions for citizens
- an 8% in the emission of pollutants

For this purpose, the use of web technologies is a vital elements, given that they enable the end user to be reached directly and in a timely manner. For example, Infoblu provides traffic information services through a specific application for smart phones which has been downloaded by over 260,000 clients in just over one year.

The process of traffic data processing and travel conditions has been made possible by a complex system of monitoring the road and motorway network which uses differentiated tools and technologies: a system of fixed (2,797 video cameras, 1,281 sensors, over 600 Telepass gates, 600 weather stations and video cameras for the Safety Tutor system, mainly on the Autostrade Group network) and mobile sensors (300 mobile video cameras installed on motor vehicles, over 1.2 million mobile devices with GPS) which generate FCD (Floating Car Data).

It is easy to see that the amount of information collected by the existing fixed and mobile systems requires a central server able to interpret and understand them. To do this, the Group has set up a "Platform" (Infoblu Platform & Content Server) which is capable of aggregating sources and different types of data and monitoring phenomena, determining what is effectively happening on the roads in the shortest possible time.

Obviously, the greater the amount of data available and the capacity to analyse and aggregate information, the better and more accurate the **knowledge of the phenomenon**, which is the concept at the basis of any implementable sustainable mobility solution.

Info-mobility conceptually represents three specific actions: the knowledge of the phenomenon, interpretation and intervention. Info-mobility intervenes in particular on the first two actions, and their optimal management, which is the basis of any intervention in terms of traffic planning and the preparation of territorial mobility policies and plans. Specifically, the aspect of knowledge of the phenomenon is that on the basis of which public-private partnerships can be started.

As regards the intervention phase, the Group reaches its users through various communications channels, such as call centers, radio and television bulletins, applications for mobile devices, its website and over 1,300 variable message panels installed throughout the network. Progress in the context of sustainable mobility obviously includes the aspects linked to road safety. In this sector, Autostrade per l'Italia has achieved very surprising results, with a reduction in the mortality rate on the network of over 75% in the last decade and the constant reduction in the number of accidents. These results have been achieved through the implementation of a series of initiatives, including: the progressive expansion of coverage by the Tutor system and motorway road surfaces with self-draining asphalt, carrying out specific interventions on the points on the network where accident rates in excess of the average are recorded and the realisation of

educational, awareness and information campaigns concerning correct behaviour while driving. The other context that has been strongly influenced by progress in sustainable mobility is that of environmental protection and the reduction of the emission of pollutants into the atmosphere. IN this case, Autostrade per l'Italia can operate in terms of one of the determining factors: traffic fluidity.

Over the years, the number and entity of traffic congestion phenomena on the motorway network has reduced significantly thanks to a series of factors, including: the adjustment of the infrastructural network to changes in traffic volume; the improved planning of worksites; the expansion of the Telepass and Viacard methods of electronic payment; speeding up operations for the removal of vehicles involved in accidents; improved methods of managing meteorological events; improvements to information concerning viability conditions and the progressive expansion of the Safety Tutor system.

These factors have led to a significant reduction in the emission of CO₂ and other atmospheric pollutants due to vehicle circulation.

autostrade // per l'italia

Autostrade per l'Italia is one of the main industrial realities operating in the design and realisation of major viability infrastructures worldwide. In Italy, the Group manages a total of 3,096 kilometres of roads, the largest toll-paying motorway network in Europe. The Group also includes a number of companies which operate in services that are accessory to the core business, such as the planning, monitoring and maintenance of works, real estate property management, info-viability, the management of automatic payment systems, the development of technological systems, etc. With its subsidiary companies, Autostrade per l'Italia is currently involved in improving and modernising approximately 900 km of its network, involving a total investment of approximately 21 billion Euros. The programme is aimed at adjusting the capacity of the network on the basis of increasing traffic volumes and improving efficiency and safety levels.

Autostrade per l'Italia is also progressively strengthening its international presence, through the acquisition of significant positions in countries with high growth rates, such as Chile, Brazil, India and Poland, where it currently has 900 km of roads under concession.

www.autostrade.it

LCA Measurement to Lead Environmental Improvement

by **Luca Ruini**,
Health, Safety, Environment & Energy Director,
Barilla G. R. Fratelli SpA

Measurement is the basis of know-how

Since 2000, Barilla has taken up the Life Cycle Assessment (LCA) approach as a powerful tool for the evaluation of the environmental impacts generated by its production chain processes. Though the initial applications aimed to understand the applicability of the methodology and improve internal know-how, since 2008 the life cycle thinking has made its way into Barilla Corporate Management as a systematic analysis tool used for the definition and the development of environmental strategies.

The Life Cycle approach has also underpinned Barilla's development policy in light of the company's adamant research on business strategies that are tightly knit to the issue of sustainability. Continual improvements in the areas of environmental footprinting, energy efficiency and water management are measured by means of Key Performance Indicators (KPI). These analyses have two aims: (i) the identification of hot spots along the product chain with consequential implementation of improvement projects, (ii) the provision of reliable environmental data also useable to the communication policy strategies.

The Pasta Footprints

One of the first analyses performed by Barilla focused on the evaluation of durum wheat pasta. These analyses delved deeply into every phase of the entire chain (durum wheat cultivation, milling, pasta production, packaging production, product transport and household cooking).

Results are presented through synthetic indicators calculated using International Protocols. The indicators take on the role of KPI for monitoring environmental sustainability, and are comprised by the following footprints: (1) the Ecological Footprint represents the amount of biologically productive land and sea area necessary to supply the consumption of resources, (2) the Carbon Footprint represents the overall amount of greenhouse gas emissions, and (3) the Water Footprint represents water consumption.

These KPIs clearly show that durum wheat cultivation and the pasta cooking are the relevant phases in terms of environmental loads. The



conclusion concerning cultivation is similar in all other Barilla production chains (with the exception of sauces).

Reliability of the environmental calculations

The foremost aim of the calculations is result reliability, which mainly depends on rules of calculation, hypotheses and database of reference. In fact, competition driven by sustainability can only be truly achieved if common rules and standards stand as a transparent platform.

The term "Rule" implies the description of the calculation hypotheses assumed in the life cycle study, such as data quality, system boundaries, functional units, allocation rules, etc. While the LCA ISO standards describe the general approach of the methodology, LCAs must meet and comply with strict specific methodological prerequisites that the scientific world know as Product Category Rules (PCR). This condition is mandatory in order to fulfill high market expectations regarding a number of practical applications. It is recommended that PCRs be prepared following a public consultation approach in order to be acknowledged with the maximum level of credibility.

However, the calculation rules represent only one side of the coin, the other being the quality and the source of data used for calculation. Likewise, the ISO standards are also able to provide assistance in this case because they are a source of information on how to per-

form and verify the LCA studies. Aside from the general description of the LCA calculation rules, it is necessary for the studies to undergo critical review that: "shall ensure that the methods used to carry out the LCA are consistent with this International Standard, the methods used to carry out the LCA are scientifically and technically valid, the data used are appropriate and reasonable in relation to the goal of the study, the interpretations reflect the limitations identified and the goal of the study, and the study report is transparent and consistent".

Therefore, it is sound to conclude that LCA data can be deemed reliable only if a critical review has been performed.

This discussion has led Barilla to develop a calculation procedure that adopts the International EPD® System (www.environdec.org) since it is one of the few that relies on public inquiry to define PCRs.

The EPD: a "certified" and international calculations approach

The EPD® general rules permit companies that systematically employ this approach to verify the internal process behind EPD® preparation instead of focusing on a single product study. This is a good opportunity for companies seeking to integrate LCA as a pillar of their sustainability policy, thus allowing continuous publication of numerous EPDs.

In this view, Barilla has decided – first in the private sector – to implement its EPD internal process, which is based on three principle elements: (1) LCA databases, which study all the most important raw materials, production plants, packaging materials and other useful information (2) the Product system that represents the product group model calculation tool, and (3) the Product specific data related to the production of a specific product such recipes, packaging references, etc.

The system works as a "funnel process" in which data from the database and from product specific information is processed by the product system tool to yield a specific LCA data sheet used to prepare an EPD.

Currently (April 2012), the database includes more than 500 data modules; over 80% of which are verified and ready to use in calculation procedures.

The overall system is verified twice a year by a 3rd part certification body, Bureau Veritas.

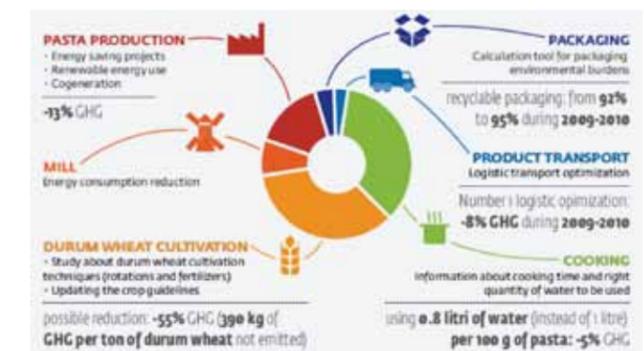
Some improvement in practice: the pasta example

Starting from the results of the Life Cycle Assessment, many actions have been undertaken to improve the environmental performances of the various steps.

Examples related to the pasta process are here presented.

Durum wheat cultivation is the phase that most contributes to pasta environmental impacts. As a result, Barilla has launched a specific project for the implementation of more sustainable cropping systems adopted along the supply chain. Several Mediterranean four-year crop rotation systems, which include Durum wheat, were examined from a life cycle perspective; the systems analyzed are typical of different Italian regions. Environmental performance of cropping systems were analysed through a holistic approach that pieced together all aspects of the sustainability. Several good solutions have

been identified and promoted among the farming community through the publication of a specific "handbook".



Additional examples regard the packaging. The LCA approach was also applied to packaging materials in order to improve the performances to the greatest extent possible. In pursuit of the goal, a first Packaging LCA Designer tool was developed in 2004 and successively refined and enhanced with more specific (continuously collected) data as it became available. Friendly "End of life packaging icons" has been designed and adopted more than three years ago in order to inform the customer on the correct recycling packaging waste collection.

Lastly, the household cooking phase even is not directly controlled by Barilla; rather it depends on consumer behaviour. As shown by the KPIs, the environmental impacts of cooking could equal those of the entire production chain. This is why Barilla is developing pasta household cooking recommendations.



Barilla
The Italian Food Company. Since 1877.

Barilla, originally established in 1877 as a bread and pasta shop in Parma, is today one of the top Italian food groups: a leader in the pasta business worldwide, in the pasta sauces business in continental Europe, in the bakery products business in Italy and in the crispbread business in Scandinavia. The Group employs more than 13,000 people and in 2011 had net sales of euro 3.916 million. Barilla owns 41 production sites (13 in Italy and 28 outside Italy), of which 9 are directly managed mills that provide most of the raw materials for the production of its pasta and bakery products. Barilla exports to more than 100 countries. Every year about 2,500,000 tons of food products, with our brands, are featured on dining tables the world over.

www.barillagroup.com

From Three-layer Floorboard to Ecological Biofuel Producer

by **Jacek Dymowski**,
CSR Advisor,
Abadon Consulting
and **Mariola Sykuła**,
IR Director,
Barlinek SA

Barlinek, natural floorboard producer, is an example of the complex and consistent approach to sustainability in business strategy. This approach copes with core business and day-to-day operations. It is much more than corporate community engagement. This is a story of the company which was strongly influenced by sustainability. The story of the company and the city with timber industry developed in the nineteenth century. The story of factory nationalized after the Second World War and representing very poor conditions at the end of 1990s. The story of the business which started almost from scratch at the beginning of Central Europe transformation and was awarded unique competitive advantages and highly effective business model, which made it the largest player in Europe. Barlinek floorboard is currently exported to 50 countries on four continents. This is a story which starts and ends in the forest. A story which is worth to be listened to.

The core business area of Barlinek – natural floorboards – is strongly connected to forestry and timber. Timber has always been treated as a very valuable raw material. Valuable materials must be kept with care, but first of all must be sourced responsibly. That is why, many years ago the company decided to purchase timber which comes with a certificate (eg. FSC). Such a decision brought the first award to its business – its products were launched on West European and Scandinavian markets, which were very demanding from ecological point of view. Exports account for about 80% of

floorboard sales today.

Sourcing is the beginning of value chain creation. When the timber reaches the factory the most valuable part of it is used for floorboard production, but the production means waste too. Wood chips and bark were the waste which had to be managed. Wastes mean cost. But wastes that used to be costs have been turned to revenues. The company not only bears the costs of disposal, but has created a new, serious source of revenue. The company invested huge amount of money into new, innovative plants. Bark is remade into gardening bark, which can be purchased at any gardening store in Poland now. Wood chips and wooden sawdust are formed into pellet – organic fuel. Apart from pellets, bricks – a very convenient fuel to be used in fireplaces – are produced. The Barlinek Group currently owns four plants producing wood pellet – three in Barlinek (Poland) and one in Vinnitsa (Ukraine). Not only part of the energy used by company for their own needs is obtained from renewable sources, but

this biofuel is a significant source of revenues. According to Annual Report 2010 the revenues from biofuels account to 13% of total revenues. It is not only good for business. It is good for the environment that during the production process nothing is wasted ("zero waste production"). These actions allow the wood taken from the environment to be used in 100%. It is worth to be mentioned that the company was engaged in promotion of pellets in the local community, i.e. to attract

“*This is the story of the company which is inextricably connected with the forest, but this does not mean only exploiting those unique resources of nature. It means partnership and management with care*”

local community members to use biofuel, to change old and dirty coal based household heating systems into renewable ones. It meant a decrease of carbon dioxide emissions.

Apart from that, ecology is a key element of company's marketing. It is used in promoting its products. For example, each package of the floorboard means the promise to plant a new tree (cause-related marketing "Rule 1 for 1"). Today, when many companies plant trees for buying their products, it may be seen as a marketing trick only. However, in the case of "Rule 1 for 1" it is worth mentioning that these actions Barlinek is realizing for over 10 years since 2000. Barlinek Customers' Forest has nearly 8 millions trees. One tree absorbs approximately 750 kg CO₂ during its whole life, which means 6 billion kg CO₂ absorbed in case of Barlinek Customers' Forest. To realize how huge the forest is, it is worth to mention that the number of trees is even higher than in the unique, wild Białowiecki Forest – the last natural forest in Europe. The project is important for promoting biodiversity: Polish forests are dominated by coniferous trees. It is vital that more deciduous trees are introduced. Accordingly, trees planted as part of Barlinek's tree planting programme represent a variety of species, including oak, beech, birch and maple. Diverse forest is much more resistant to pests, creates better environment for development of various species of fauna and it makes ground more fertile to support undergrowth. Barlinek's customers' trees are growing in Zachodniopomorskie region (mostly in Choszczno, Sławno, Swierczyn, Dobrzany, Połczyn, Gryfice, Bobolice, Myslibórz, Bierzwnik, Nowogard and Barlinek); in Lubuskie (including Torzym, Swiebodzin, Kłodawa, Strzelcyce Krajeoskie, Sulecin, Głusko and Smolarz); in Pomorskie (including Warcino, Człuchów and Osusznicza) and in Wielkopolskie region (Krzyż Wielkopolski).

Barlinek is promoting planting trees abroad – new trees are planted in the countries, in which the company started its production (Russia, Ukraine). In 2010 alone Barlinek co-financed the planting of 1.3 million trees in Poland and 100,000 in Ukraine, mostly around Vinnitsa, Zhitomir and Kiev. In 2008 the first 60,000 trees put down their roots near Saint Petersburg in Russia. Consultations also took place concerning similar actions in Romania. The topic met with interest, but it is an entirely new initiative which no company has taken on before. The initial plans connected with planting saplings in that country concern the year 2012.

Apart from forestation mentioned above, the company decided to engage in supporting wild nature protection as its non-obligatory activity. That is why Barlinek helps to protect the legendary "Bartek" oak tree. It is the oldest, more than 1,000-year-old¹, tree in Poland, which is located next to Kielce city where company's Headquarters are. Financial support of the company enabled the installation of special construction to support the tree's branches a few years ago. Construc-

tion was necessary to save this great symbol of Polish nature against winds and storms. Due to the protection, the 1010th "Bartek the Oak's Birthday" was possible to be celebrated in 2010.

Additionally Barlinek, together with Nadlesnictwo "Barlinek" (National Forest subsidiary in Barlinek city) and with Stowarzyszenie na Rzecz Dzikich Zwierząt „SOKÓŁ”(NGO), started peregrine falcon protection and reintroduction program. The program has been implemented for almost six years. Within the scope of the program, activities to restore the population of falcons, which were threatened with extinction, have been undertaken. For years, peregrine falcons were not present in the Polish forests. Now almost 50 young birds have returned to the nature. The population of these unique predators is increasing and we can observe them gliding on the sky. This is the story of the company which is inextricably connected with the forest, but this does not mean only exploiting those unique resources of nature. It means partnership and management with care. Natural resources are more than replaced, company is more than improving its brand image. It is growing successfully.

¹ Recent analyses show that this symbolic tree is younger (approximately 645-670 years), but traditionally it is said to be 1000 years old symbol of Polish forests.



Barlinek S.A. is one of the most modern and at the same time environment-friendly manufacturing plants in Poland. It owes its position to investment in new technologies, machines, production halls, warehouses and ecological solutions. It has extensive production capabilities and is currently able to produce 11,5 million meters of layered flooring a year. Barlinek is a leading producer of three-layer floorboard in Europe. Barlinek opened its plants abroad in Romania and Ukraine. In 2005, Barlinek S.A. made its successful debut on the Warsaw Stock Exchange. When the Warsaw Stock Exchange implemented The RESPECT Index – sustainable companies index in 2009, Barlinek was in the prestigious group of 16 companies included in it. It was awarded by Forbes magazine as a "Leader of Sustainability" in 2011.

www.barlinek.com.pl

BBVA's Global Eco-Efficiency Plan: Managing Our Direct Environmental Impacts

by **Tomás Conde Salazar**,
Director of Sustainability,
BBVA



In 2008 BBVA launched the Global Eco-efficiency Plan (GEP) for the period 2008-2012, making it the first Spanish financial institution of the few at an international level to launch a plan of this kind. The GEP includes ambitious, concrete and measurable targets that allow us to manage our direct environmental impact and optimize the use of natural resources, reducing the Group's environmental footprint.

The GEP sets out five blocks of targets and lines of action. They are:

a) Natural resources, divided into the following lines of action:

- Reduction in electricity consumption per employee
- Reduction in water consumption per employee
- Reduction in paper consumption per employee
- Segregation and recycling of urban solid waste, hazardous waste and computer waste.

b) Sustainable purchases, which includes the launch of the Group's sustainable procurement policy, scheduled for 2011.

c) Energy efficiency, including the expansion of ISO 14001 in the Group's buildings and the implementation of LEED certification in the new headquarters in Madrid, Mexico, Paraguay and the Corporate University, BBVA Campus.

d) Emissions, which includes the implementation of a green vehicle policy, the use of video conferencing and travel reduction as well as offsetting CO₂ emissions and reforestation.

e) Eco-partners, which includes outreach and awareness building activities for employees, training programs, as well as

mobility plans for the new headquarters and the ecological car wash.

Thus, the GEP aims to reduce the Group's environmental footprint, and has subsequently set 6 quantitative targets for 2012:

- A 20% reduction in carbon emissions
- A 10% reduction in paper consumption
- A 7% reduction in water consumption
- A 2% reduction in energy consumption
- A 20% increase in the number of employees working in ISO 14001 buildings
- LEED certification obtained for the new corporate headquarters

The GEP is managed by means of a scorecard, which shows the progress of the indicators for which targets have been set on a four-monthly basis: CO₂ emissions, paper consumption, water consumption, energy consumption and ISO 14001 and LEED. Depending on the extent to which these targets are met, interannual targets are set, always based on the reference year of 2012.

The GEP Committee also takes place on a four-monthly basis, which is responsible for its management and composed of members representing the following areas: Corporate Responsibility, Property, Purchasing, Human Resources, Financial Management and Communication. Also represented on this committee are members of the Corporate Responsibility and Real Estate units from the areas of Spain and Portugal, Mexico, South America and the United States, given its global reach.

It is within this committee that the progress of the Plan is assessed and the initiatives developed in the period are presented,

“*Manage direct environmental impact and optimize the use of natural resources, reducing the Group's environmental footprint*”

according to the GEP's different lines of action. The most significant initiatives developed under the GEP's framework include the following:

- Implementation of a remote management system in the branch network, allowing centralized control of air conditioning systems and lighting
- Replacing computers and other equipment for more efficient systems in several of the Group's offices
- Implementation of the Environmental Management System according to ISO 14001 in 26 of the Group's buildings
- Obtaining LEED certification at the BBVA Paraguay headquarters in Asuncion, certifying that the building has been built to the highest standards of sustainability
- Launch of the Virtual Correspondence Campaign for customers, replacing traditional mail
- Implementation of telepresence systems
- Purchase of the first electric vehicle available in Spain to transfer employees between different buildings in Madrid
- Awareness building campaign throughout the Group, through the corporate intranet, with high employee participation
- Contracting renewable energy for consumption of nearly 8% of energy in Spain
- Reforestation campaigns in several countries in which the Group is active
- Running water audits in individual buildings

Another highlight is the implementation of a responsible purchasing policy in the Group, which is likely to be approved in 2011. The aim is to implement a policy that is advanced, consistent, integrated into our processes, verifiable, quantifiable and responds to issues relating to efficiency, natural resources, innovation, and responsiveness to society in the procurement process. In addition, the action plan includes policy measures to incorporate social and environmental aspects in all phases of the procurement process.

The GEP was launched with a major allowance for resources, which stands at 19 million euros. In turn, the estimated annual cost savings after implementing all the measures developed is 1.5 million euros a year. Besides saving costs, the implementation of the GEP entails other benefits for the Group, such as improving its image and reputation, and eligibility for BBVA shares in socially-responsible investment portfolios.

The launch of GEP responds to a strategy by the group on the environment, reflected at the Group environmental policy.

This strategy is articulated around five main lines of action:

- Commitment to the international environmental initiatives, such as Global Compact, United Nations Environmental Programme Finance Initiative (UNEP FI), The Equator Principles, Principles for Responsible Investment (PRI), Carbon Disclosure Project (CDP), The Bali, Copenhagen and Cancun Declarations as well as The Global Investor Statement on Climate Change.
- Integration of the management of environmental risks in our lending activity, through two tools: The Equator Principles, industry initiative for the integration of environmental cri-

teria in funding major projects; and Ecorating, evaluation model and financial analysis of environmental risk in the loan portfolio.

- Innovation of products and services with an environmental profile. In this regard it is noteworthy that BBVA is a global leader in funding clean energy projects, as well as developing environmental lines with multilateral institutions like the IDB, IFC and the EIB.
- Sponsorship and community service for the environment, mainly through the BBVA Foundation, which annually awards the Fronteras del Conocimiento (Frontiers of Knowledge) Awards, which includes the categories of climate change, and ecology and conservation biology. In addition, the Foundation encourages research in the environmental field through scholarships, publications, conferences, etc.
- Eco-efficiency, epitomized by the cited Global Eco-efficiency Plan.

For more information: www.bbva bankingforall.com

BBVA

The BBVA Group, a global financial institution, holds a prominent position in Spain and Latin America and has a growing presence in the United States and Asia. Our group is made up of 106,976 employees worldwide, serves 47.9 million customers and has more than 952,618 shareholders.

BBVA corporate principles:

1. Customer as the center of our business.
2. Creation of shareholder value through business activity.
3. Teamwork as the key to generating value.
4. Management style that generates enthusiasm.
5. Ethical conduct and personal and professional integrity as a way of understanding and conducting business.
6. Innovation as the engine for progress.
7. Corporate social responsibility as an intrinsic part of development.

www.bbva.com

About Ecology Actions: Give Nature a Hand

by **Gordana Vlajic**,
Marketing Director,
BiS Recycling Center



All around the globe 100.000 computers is being discarded on daily basis. At the same time, quantities of discarded electronic and electrical devices are increasing 4000 tons per hour. Math is simple: every year we get 50 million tons of EEE waste. Let's add one more frightening figure: during year 2010, 51.000 tons of mobile chargers were thrown in EU countries. Truly horrendous.

While you were reading the previous paragraph, another 30tons of electronic and electric waste was discarded on our planet. Mountains of waste are towering above us. All this time, we are relentlessly exploiting ores from our land. The only solution lies in – recycling. We are alarmed by the fact that in 2010 only one percent of estimated amount of discarded electronic and electrical equipment was actually recycled. There is some truth that the environmental consciousness of average Serb is not on the same level as the Swiss or Swedes have, but the question is how reliable this data is given that the Serbia still has not solved the problem of Collecting Network for WEEE.

Recognizing the complexity of the problem, BiS Recycling Centre is the first established Serbian company for WEEE recycling. BiS Recycling Center initiated several actions under the common name: GIVE NATURE A HAND. All these actions are aimed at environmental education and motivation for more efficient collection of WEEE.

From June 2011 till present date, we have implemented six different actions designed to target and animate the entire public. Actions are aimed to animate:

- Children and students; because learning about ecology and collecting WEEE, children will acquire useful habits (Action: BE EXCELLENT. RECYCLE)
- Inhabitants of the village (Action: GREAT DEEDS OF MY LITTLE

VILLAGE)

- Residents of urban areas (Actions: ENVIRONMENTAL SKILLS OF MY MUNICIPALITY)
- Actions designed and specifically directed at young people and students (Action: DAYS OF ENVIRONMENTAL LITERACY)
- Specially designed activities that are intended to cover various structures, from children to pensioners, and to gravitate toward large shopping centers (Action: BRING SOMETHING OLD, WALK AWAY WITH HOPE)

- Actions that animate legal entities and representatives of foreign companies so they would set an example for proper disposal and WEEE recycling (Action: I RECYCLE, THEREFORE I AM)

These actions were so far held in 26 cities and villages across the Serbia and have resulted in 510 tons of collected WEEE. Bozic i sinovi d.o.o. is a double bearer of National Award for Corporate Social Responsibility. We proudly present our actions:

Be Excellent. Be Determined. Recycle

The action was launched on 7th November 2011, on the occasion of the European day

of science. First round of participating students:

- Belgrade Mathematical Grammar School, a school that gave most winners on international math competitions around the world;
- Primary School "Vladimir Petrovic Dis", the first private primary school in Serbia, Belgrade;
- Gymnasium "Uros Predic" and Electro-technical Science School, both in Pancevo, a town is known as "black spot" of Serbia.

"BiS Recycling Center" had containers set up in schools (completely branded, with environmental message and the logo of the participating schools). At the end of the 10-day campaign,

“While you read this sentence, 30 tons of electrical and electronic waste will be dropped on planet Earth. Salvation lies in recycling so please GIVE NATURE A HAND”

"BiS Recycling Center" donated funds proportionate to amounts of collected WEEE. That way schools were provided with basketballs and volleyballs, and necessary number of energy saving light bulbs.

Great Deeds of My Little Village and Environmental Skills of my Municipality

Krčedin, Omoljica, Starčevo, Beška, Kovin... are name of the municipalities that participated in the environmental actions. Each lasted for 10 days. "BiS Recycling Center" had set metal containers on three chosen places in all municipalities, in consultation with local communities. Activities were joined by children from primary schools, young people from cultural and artistic societies, adults from different associations (beekeepers, bird lovers, chess players etc). The activists and collectors handed flyers (printed by "BiS Recycling Center") and animated neighbors to join the action. Persons who collected the biggest amount of waste in each of these places were awarded with bicycle (ecological means of transport!). By purchasing of collected waste, "BiS Recycling Center" donated "smart table" to the elementary school in Omoljica, costumes to CAS "Neolithic" in Starčevo, library books for elementary schools in Beška, help reconstruct part of the art gallery in Krčedin e.t.c. During the action, each of these places was visited by a chosen celebrity: Boda Ninkovi - actor, singer and composer - Minja, writer Miodrag Jaksic, so every action was covered by media, boosting educational effect on public opinion. These public figures were also hired by "BiS Recycling Center."

Days of Environmental Literacy

Together with libraries in Pancevo and Pozarevac, "BiS Recycling Center" initiated action "Days of Environmental Literacy." Action started on September 8, the day of the World Literacy Day, which granted us media attention during the announcement. The beginning was marked by play prepared by primary school students. The action was followed by presentation on recycling and the importance of proper WEEE collection and disposal organized by NGO "Eco Green Team", an NGO which "BiS Recycling Center" works with.

"BiS Recycling Center" provided libraries with branded plastic containers. After completion of the action, the collected waste was measured and "BiS Recycling Center" donated books to library accordingly.

Bring Something Old, Walk Away With Hope

On the opening day of EcoFair in Belgrade, the International Fair of Environmental Protection, "BiS Recycling Center" has set up a metal container for disposal of WEEE. The container was placed near parking lot, a place that was most convenient. This action was intended to attract media attention as well as the attention of all visitors, with a tendency to affirm the necessity of contemporary recycling, with the WEEE being the fastest growing type of waste today. Much like the previous, this action was motivating: public was informed (by media, flyers) that "BiS Recycling Center" will donate 20 RSD for each kg of collected WEEE to NURDOR Fund, National Association of parents of children with cancer. The score was 5240 kg, which is: 104.800,00 - dinars (950 Euros).

There is an ongoing action under the same name in Retail Park

"AVIV" in Pancevo. Citizens can dispose their WEEE there and they are double motivated - they are helping someone and being environmentally smart at the same time. For every kg of collected WEEE, "BiS Recycling Center" paid donation. Local Medias sponsored the action and gave suggestions and help all they could so the action will be successful. In December 2011, the citizens and "BiS Recycling Center" jointly helped so 9-year-old Vasilisa can undergo a face surgery. During March and April same year, funds were collected for an operation of the 14-year-old boy Nemanja. We all hope that these funds will help Nemanja go to Russian where the doctors can help him walk.

I Recycle, Therefore I Am.

This action was initiated in cooperation with the German Business Association in Belgrade. The idea is that foreign companies demonstrate proper disposal and collection of WEEE. So, this way companies can: promote environmental awareness of their native country, confirming they are CSR and also interested in citizens' education and motivation. "BiS Recycling Center" was met with understanding by the German Business Association. Participants were not only members of the Association, employees of the Goethe Institute and German Embassy, but 11 companies from Serbia, which are members of the German Business Association as well. "BiS Recycling Center" set up special container in the center of Belgrade and at premises of seven participating. It is interesting that the companies themselves animated the citizens who live near to their companies to dispose of their WEEE. All actions and activities we will continue to implement with regard to our marketing calendar for 2012.



BIS RECIKLAŽNI CENTAR
BOŽIĆ I SINOVİ

"BiS Recycling Center" was founded in 2006. as the first company in Serbia for the recycling of electronic and electrical waste, the physical destruction of business records and deleting confidential data from media. "BiS Recycling Center" operates as part of a private company "Bozic i sinovi" that was founder quarter of century ago. "BiS Recycling Center" is currently the only company of its kind in Serbia which owns facilities for recycling, degasification equipment and the BALCAN Total Lamp Recycling Systems for recycling fluorescent tubes and bulbs of all types, with the ambition to become regional center on Balkan for that waste types.

"BiS Recycling Center" is the first authorized Microsoft's Refurbisher in this part of the Balkans.

www.it-recycling.biz

Intelligent Mobility for the Cities of the Future

by **Miki Yokoyama**,
Corporate Strategy and Planning,
Sustainability and Environmental Protection,
BMW Group



There are more than 4,000 cities and 300 metropolises around the world with more than one million inhabitants. Within the next 40 years, more than two thirds of the total world population is expected to live in cities. This makes the question of safe and sustainable design of cities one of the key questions for humanity, closely tied in with the social obligations of those responsible for mobility. The BMW Group is responding to questions about the compatibility of this trend with the desire for (greater) individual mobility with a clearly-defined sustainability strategy, holistic new vehicle concepts, and mobility services that go far beyond individual automotive transport.

Recent studies found that in Brussels alone – Europe's most congested city – there are delays on 40 percent of the main roads every day. Traffic congestion, limited parking, and local emissions bring the benefits and appeal of driving one's own car on a daily basis sharply into context. This is precisely why new and sustainable solutions, which fulfill everyone's individual mobility needs and which enable people to stay mobile in a smart and convenient way are in such strong demand.

Proven sustainability

The BMW Group recognized this early on. Today, sustainability criteria are systematically established across every area of the company, in all target processes, and along the entire value chain: Through Efficient Dynamics, the company is lowering the fuel consumption and the emissions of its vehicles on the roads. Current developments in the BMW Group fleet demonstrate that lower emissions and smart mobility for city driving and commuting do not necessarily mean "doing without". In

2010, the average CO₂ emissions of the BMW Group's European fleet stood at 148 g/km, with an average fuel consumption of 5.4 l diesel or 6.6 l petrol per 100 kilometers – despite including a higher percentage of large, powerful models. Through the Clean Production program and integrated environmental management, the BMW Group is continually reducing its use of natural resources and the environmental impact of all production processes worldwide. By 2012, the use of resources will have dropped by 30% compared with 2006 – and the BMW Group will have moved a great deal closer to fulfilling the ultimate goal of zero-emissions vehicle production. And last,

through its commitment to society and various employee initiatives, the BMW Group demonstrates its social responsibility. The global momentum in the field of sustainability is also documented by the Dow Jones Sustainability Indexes, which rank companies' sustainability performance. The BMW Group has been a supersector leader for the past seven years.

Visionary vehicles

The new sub-brand BMW i has brought the company one step closer in redefining the understanding of personal mobility. With purpose-built vehicle concepts, a focus on sustainability throughout the value chain and a range of complementary mobility services for the mobility of tomorrow it is introducing new concepts for sustainable mobility. At the 2011 International Motor Show in Frankfurt, the company made a bold statement in the development of visionary vehicles for the cities of the future with the unveiling of the BMW i3 and BMW i8 concept cars for the urban environment: On the one hand, the extremely economical hybrid sports car, the BMW i8, which

boasts a range of up to 35 kilometers in electric mode (which is sufficient for the majority of city driving): It accelerates from 0 to 100 km/h in less than 5 seconds and achieves a fuel consumption of less than 3 liters per 100 kilometers. On the other, the compact BMW i3, designed primarily for the urban environment, which will enter series production in 2013. Besides its unique, state-of-the-art design, responsiveness, and agile handling, its outstanding features include seamless connectivity and optimized use of the interior space. Since the BMW i3 is a pure electric vehicle, its maximum torque is immediately available. This allows it to accelerate from 0 auf 100 km/h in less than eight seconds. Its powerful 125 kW-electric motor and rear-wheel drive ensure BMW style dynamic handling. And with a high-speed charger, it achieves an 80 percent battery charge in just an hour. Since the body is built to a large extent from carbon fiber reinforced plastics, it weighs up to 350 kilograms less than a conventional vehicle with electric drive. This revolution in automobile construction not only improves driving dynamics but also range. The zero-emission electric motor and consistently sustainable value chain minimize the emissions of the BMW i3 by at least another third throughout its lifecycle, compared with a highly-efficient vehicle with combustion engine. If the car runs on electricity from renewable energy, that figure is reduced by well over 50 percent.

New concepts for sustainable mobility

One of the main goals of the BMW Group's corporate strategy Number ONE is not only to be the world's leading supplier of premium products, but also to expand its offering into a wide range of premium services for individual mobility. This means the company must find solutions that combine various methods of transport and location-based information in an intelligent manner – focusing on better use of parking space, smart navigation with customized, location-specific information services, intelligent multimode route planners and premium car-sharing options.

The company is able to draw upon its wealth of exclusive experience with BMW ConnectedDrive in this field: BMW and MINI drivers have been successfully using its vehicle-based services, such as the BMW Advanced eCall in the event of an accident, up-to-the-minute traffic information, and BMW Assist's concierge service for hotel and restaurant reservations, for years. Going forward, the BMW Group will substantially expand its expertise in networking the vehicle with the world around it and offering additional mobility services – regardless of whether the city-dweller owns a car. In keeping with the BMW Group's premium standards, all services will be instantly available at all times. They will be safe, user-friendly, personalized and appropriate for the situation.

In addition, the BMW Group embarked on a number of strategic investments and collaborations with partners to explore other

ways to reduce traffic congestion and to organize traffic more efficiently. For example, the strategic partnership between my City Way and BMW i Ventures is developing mobile apps to navigate the urban scene. And in 2011, the BMW Group introduced a car-sharing service called DriveNow, which builds on efficient premium vehicles and comprehensive service.

Sustainability and driving pleasure

The BMW Group is strengthened in its commitment not only by the global public, but primarily through its stakeholders. The expectations they place on automobile manufacturers worldwide are growing not only with regard to efficiency and dynamic performance, but also when it comes to future developments in environmental compatibility and alternative mobility concepts for big cities around the world. The overall development of the BMW Group shows that environmental and social responsibility and urban mobility are an integral part of the premium concept and do not conflict with its concept of driving pleasure. This is the basis upon which the company plans to enhance its innovative drive technologies and implement concepts for sustainable mobility, particularly in major urban areas – for lasting results.

BMW GROUP

The BMW Group is one of the most successful manufacturers of automobiles and motorcycles and ranks among Germany's largest industrial companies. Headquartered in Munich, Germany, it is the only automobile company in the world represented in all relevant premium segments with the brands BMW, MINI and Rolls-Royce. The Chairman of the Board of Management is Dr. Norbert Reithofer. For the 2010 financial year, the BMW Group achieved a global sales volume of about 1.5 million automobiles and about 110,000 motorcycles, and generated revenues of euro 60.5 billion. With a workforce of over 95,000 employees and its global sales network, the BMW Group is represented in over 140 countries on all five continents.

www.bmwgroup.com

Carrefour's Commitment Towards Zero Deforestation

by **Sevda Latapie-Bayro**,
Head of Sustainable Development Department,
Carrefour Group

Engaged since 1997 in an approach to control the sourcing of its wood supplies, Carrefour has been working with WWF since 1998 to privilege FSC (Forest Stewardship Council) certified wood. The Group is now stepping up these efforts to positively influence all concerned supply chains through appropriate purchasing practices in order to preserve biodiversity, to reduce associated greenhouse gas emissions, and to ensure the respect of human rights.

At the end of 2010, Carrefour gave new impetus to its forest-linked purchasing practice by setting an ambitious goal: work towards "Zero deforestation" by 2020. With this target, Carrefour's ambition is to preserve natural resources, biodiversity, and to help put an end to deforestation. Indeed, the Group has established strict rules that will apply to a part of its forest-related sourcing. This global policy concerns a wide range of products linked to forest management issues, for example:

- goods made from wood, paper, and pulp;
- agricultural commodities whose production can have an impact on forests (especially palm oil);
- not for sale items such as commercial publications or cash register receipts.

For these products, Carrefour will improve its purchasing practices worldwide, and will work with its suppliers to ensure legality and no associated land conversion of natural forests and peat lands.

Moreover, the Group is committed to promoting responsible consumption among its consumers and to raise their awareness on this issue.

For 100% traceable, certified palm oil

In its efforts to protect biodiversity and to prevent deforestation, Carrefour is an active member of the Roundtable on Sustainable Palm Oil (RSPO) and in this case promotes the production of 100% traceable and certified palm oil.

The RSPO was formed in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. Sustainable

palm oil production only officially began at the end of 2008. In 2009, 1.3 million tons were produced out of a total production of approximately 45 million tons. In 2010, this production reached 3.8 million tons that is 8 per cent of the global production. The supply chain for palm oil and its by products, however, is very complex and lacks traceability. There are very few mills and factories that produce certified palm oil, most of them being certified only for a part of their production. Therefore they still sell a mix of palm oils – both certified and non-certified – In parallel, certificates are emitted depending on the

quantity of certified palm oil produced, and sold on the Internet, via a system similar to the purchase of green electricity. These "green" certificates are only a first stage in the international process. To promote a more transparent market, Carrefour defends the idea of palm oil production that is certified and can be traced from start to finish.

In 2010, the Group is committed to developing a palm oil Carrefour Quality Line in Indonesia, sharing its 18 years of global experience on agricultural quality lines. In August, Carrefour Indonesia actually started the project in association with several

“*Carrefour gave new impetus to its forest-linked purchasing practice by setting an ambitious goal: work towards Zero deforestation by 2020*”

local NGOs. This new quality line will provide Indonesian consumers with the possibility to choose products that do not result

in further deforestation and that ensure working conditions that comply with the rules of the International Labour Organization.

MORE THAN 15 YEARS OF COMMITMENT TO FORESTS AND BIODIVERSITY

1997-1998:

- Carrefour started a partnership with WWF France to preserve natural resources and biodiversity.

2003:

- Carrefour invested in the European Commission's Forest Law Enforcement on Government and Trade action plan aimed at establishing a framework for fighting the illegal sale of wood.

2006:

- Carrefour was the only French retailer to join the RSPO and became a member of the RSPO Executive Board in 2009.

Since 2007:

- Carrefour conducted awareness campaigns on palm oil issues to all own-brand suppliers and inventory of the use of palm oil in its own-brand products.
- Carrefour has been a member of the Round Table for Responsible Soy.

Since 2008:

- Carrefour European Purchasing Office's assortment of outdoor wood furniture consists of FSC-certified products and acacia, a species for which the suppliers are involved in a process of certification with the Global Forest and Trade Network Vietnam.
- In 2008, Carrefour France substituted the use of palm oil in its own-brand crisps.

2009:

- Carrefour committed to using certified palm oil in all own-brand products throughout the world by 2015.

- Carrefour is encouraging its suppliers to use preferably segregated certified palm oil or Greenpalm certificates for all palm oil supply.
- The Group supported the UN's "Seal the Deal" campaign calling for an ambitious, fair, and effective deal including forest preservation. Carrefour also signed the Copenhagen Communiqué.
- The Carrefour Group has increased the percentage of recycled or certified paper for its commercial publications and aims at achieving the target of 100 percent recycled or certified paper for catalogues in the Group in 2012.

2010:

- Carrefour France bought Greenpalm certificates for the equivalent of the total volume of palm oil used in its own-brand products.
- Carrefour, together with Tetra Pak, launched FSC-certified packaging for several of its private brand products including fruit juice and milk. With this action, Carrefour was the first French retailer to deploy FSC beverage cartons on a massive scale.
- Carrefour welcomed the new European Commission's legislation establishing rules for those involved in the trade of wood and its by products. In 2010, the Group was one of the founders of the Timber Retail Coalition, set up to support the European Commission's efforts to create EU-wide regulation as a crucial step toward the widespread adoption of responsible timber-sourcing practices.
- In 2010, Carrefour Group announced on the occasion of the Consumer Goods Forum a large-scale collective target for the protection of forest resources: work towards "Zero deforestation" by 2020.



The Carrefour Group is the first retailer in Europe, and the second largest worldwide, with more than 9,500 stores under banner in 32 countries and more than 400 000 employees, including 124,000 in France. For over forty years, Carrefour has been a partner in the day-to-day lives of more than twenty million customers in Europe, Asia and Latin America.

The Group combines different store formats - hypermarkets, supermarkets, convenience stores and cash & carry outlets - constantly adapting to its customers' consumption patterns, and offering the lowest prices on a large range of products and services. With more than 3 billion cash transactions

per year, the Group, through its activities, has an economic, social and environmental responsibility and commits to the quality of its products and the security of its customers.

www.carrefour.com

Carrefour Spain and Its Commitments for the Sustainability

by **Mariano Rodríguez Moya**,
Quality and Sustainability Manager,
Carrefour Spain



Carrefour is a company that grows, adapts and understands the changes and the new needs of the society as an excellent opportunity to innovate, improve and develop. Our aims are ambitious, such as 30% of reduction in energetic consumption per square meter of sales area from 2004 to 2020, with the consequent reduction of CO₂ emissions.

Eco sustainable buildings and logistic

To obtain these results we have been firmly supporting energetic efficiency in our stores since 2007, launching the project of Eco sustainable buildings. The objective is to optimize the efficiency of our stores, through the process automation, taking into account performance criteria from the construction phase, the application of new technologies and the centralization of the units of consumption. Specifically, the reduction of energy consumption is achieved through measures implemented in the cooling system, in the climate control system and the lighting. The measures include: eliminating cold area with the installation of furniture fridge doors, the implementation of eco-efficient low consumption lighting, the introduction of motion sensors in shops and warehouses, scheduling of outdoor lighting by light sensor and the implementation of good practices by employees awareness, among other measures.

Eco sustainable buildings reduce the global impact because they not only allow the reduction of the energetic consumption which result is a lower emissions of greenhouse gases into the atmosphere but they carry out improvements to the comfort and reduce the water

consumption.

Only in electricity, the average savings per store are over 21% (saving in cold food, conditioning air and lighting).

We pledge on the production of renewal energy with the installation of more than 109.000 Kwh/year by the way of the photovoltaic roof which we have in 8 hypermarkets.

We carry out the replacement of cooling plants by new energy efficient ones, incorporating the latest technological innovations available in the market, reducing the energy consumption of cold positive and negative. It is noteworthy that these improvements were implemented in 2011 in 25 hypermarkets, improvements that represents a 567.588 kWh/year energy savings and 233,56 tons of CO₂ avoided emissions per year. Regarding to logistics we have replaced more than 5.000 trucks trips by alternative means of transport like railway. With that change we have avoided the emission of more than 1.300 tons CO₂ into the atmosphere. We have also launched other actions as the approaching of the logistics network to our centres.

The managing of our waste

Our stores are not only eco sustainable because of the measures of energetic efficiency and saving consumption that we have adopted, they are eco sustainable because we work in the prevention, preparing for re-use, recycling and other recovery of all the waste we produce in our activity.

All these measures allow us to have environmental friendly stores, assuming our responsibilities through out our entire value chain.

“ *All the above measures have been successful thanks to the top direction firm commitment for the sustainability, as well as the involvement of the different areas and the continuity given to them* ”

Thus, all of our efforts are also focused into a second objective fixed by the group by 2020: 70% of the waste have to be recycled.

In 2007 we begun a new Integral Plan of Wastes, focusing in the valorization of all the recoverable materials and the reduction of the non recoverable wastes cost.

In 2011 we generated over 117.300 tons of wastes, in both hypermarkets and supermarkets. 89,5% of this waste has been generated in hypermarkets.

In 2011 we recuperated 55.380 tons of cardboard and paper, 2.380 tons of plastic and 790 tons of iron.

It is very important to point out that more than 105.000 tons managed in the hypermarkets, 66%, has been recycled.

In hypermarkets we also have managed more than 8.260 tons of organic waste which were used for biomethanization and compost, increasing in 14,8 the valorised percentage obtained in 2010.

Most of the bio-waste is managed to biomethanization and composting. The biomethanization is a process to obtain biogas to generate electricity, driving energy and a solid rest which it's get compost to use in agriculture or gardening.

The animal by-products no intended for human consumption (ABP), as residues of meat and fish, mostly destined to the manufacturing of animal feeds.

In August 2011 we launched a pilot test for ABP management in Madrid Region stores by the SIGROB (Bio Sustainable Integrated Bio-waste Management System). Using others valorization methods, these wastes are destined to biomethanization. Currently we are implementing the project in the rest of spanish regions.

We have eliminated the only one-use bag of the line boxes

Sustainable development has a central position in our company plan, we share it with our principal stakeholders and its fundamental axis is our clients.

Since 2004 we offered to the consumers the possibility to get a reusable bag of raffia, a recyclable material which avoids the use of a minimum of 4 bags in every act of purchase, so consequently in this way, we will also reduce the generation of wastes and CO₂ emissions.

Later, in June of 2008 we carried out the relaunch of the reusable raffia bag, repositioning its price.

In 2009, we were the first retailer company in Spain who had definitively eliminated the common only one-use bag. The initiative was implemented progressively in the totality of our stores until the end of 2009 and was a categorical commitment of the company in favour of the utilization of renewal, biodegradable and reusable materials.

Thus, at Carrefour we anticipated the application of the Spanish Integrated National Waste Plan (PNIR) 2008/2015 which one of its objectives is to reduce by 50% the consumption of only one-use bags and to replace them progressively by biodegradable or reusable bags.

We offer sustainable alternatives like multipurpose bags made of raffia, cotton, biodegradable, purse bags or folding shopping carts.

In 2011, we consolidated our commitment to recycling with an exclusive design of a collection including 5 reusable bags, illustrated by famous international artists.

Corrugated cardboard packaging of fruits and vegetables

As next step to our commitment and our bet for materials more respectful with the environment, we introduced in December 2009, the corrugated trays for fruits and vegetables. This initiative, also pioneer in the retail sector, was implemented progressively in the totality of the stores at the same time as the elimination of the only one-use bag, promoting the use of sustainable materials.

The corrugated cardboard packaging, manufactured with recycled paper, is used in fruits and vegetables section. Moreover, we are studying its implementation in other sections. All these actions have a purpose, to comply with our policy of introducing the maximum possible of renewal materials in all our area activity.

We mainly used the corrugated cardboard packaging with apples, oranges, pears, kiwis, cucumbers and tomatoes, among other references.

We have bet for the corrugated trays because they are 100% recyclable and made from renewal material, and they generate important logistical benefits due to its perfect stackability: they are easy to transport, to storage, and to handling into the packaging line. Further its low CO₂ footprint: all along the recycling and transformation process it is 76% less than PET (polyethylene terephthalate) tray and 64% lower than a EPS (expanded polystyrene) one.



Carrefour

In Spain we were pioneer, in 1973, with the launch of the comercial format "hypermarket" El Prat store in Barcelona. Since then, our development has been continuous in the

various retail formats, supported massively by the consumers. The pioneer hypermarket formula revolutionized the sector, giving origin at a new concept, valid today: the modern distribution.

We offer a range of products and services in modern commercial establishments adapted to the needs of the different kind of clients. These centres evolve with the society, to provide comfort and utility under the same brand.

In Spain some data at the end of 2011 demonstrate our leadership:

*172 hypermarkets,
116 supermarkets,
56 proximity supermarkets,
96 gas stations
345 travell agencies*

www.carrefour.es



Implementation of Sustainable Development Strategies

by **Stefanos Vafeidis**,
General Manager,
Coca-Cola Hellenic Russia

For many years, Coca-Cola Hellenic is a sustainably developing company in the world. High levels of Dow Jones on Sustainable Development (DJSI and Dow Jones STOXX Sustainability Index) and the FTSE4Good Index prove international recognition of the company's achievements in this area.

These results have been achieved by our hard work on implementing environmental initiatives, protection of water resources, management in the field of water industry, recycling of materials, etc.

Understanding the importance of strict adherence to the principles of CSR, the company takes part in several international programs, including the World Business Council for Sustainable Development and the European alliance for corporate social responsibility. Coca-Cola Hellenic is involved in the implementation of the ten universal principles of the UN Global Compact on human rights, labor relations, environmental protection and fighting corruption.

Taking into consideration the world experience, Coca-Cola Hellenic actively implements their own CSR programs in Russian regions. Paying attention to every region, the company invests their time, expertise and resources in the development of the region. Programs affect many areas of social and public life of the local communities, which is a very important factor in the development of the country.

Company realized several big projects.

«Living Volga» Program (Initiative of Coca-Cola HBC Eurasia)

It is known that water is vital to human and community development. Coca-Cola Hellenic in Russia strives to limit its impact on

water sheds and promote water stewardship activities in the communities where it operates.

On the Group level European countries of the Coca-Cola HBC system have already joined ranks to implement the "Green Danube" project on protection of one of the main rivers in Europe.

«Living Volga» is one of the most significant environmental projects. The river Volga is a national treasure of Russia and the biggest river in Europe. Pilot Volga protection project in partnership with UNESCO

was launched in December 2006.

The overarching goal of the programme is to foster better awareness and valuation of biodiversity resources of Lower Volga water and wetlands ecosystems and an understanding of the principles of sustainable development amongst local authorities and communities.

The major objectives also are:

- To reach out to different groups of people and highlight the value of the Lower Volga water and wetlands ecosystems To make local authorities pay attention to the environmental problems of water and wetlands ecosystems and to contribute to the sustainable development of the area.
- To produce education/awareness materials and establish effective dissemination mechanisms.

The programme is of special importance within the International Decade for Action "Water for Life" (2005-2015) and the UN Decade "Education for Sustainable Development" (2005-2014).

The Coca-Cola HBC Eurasia partnership with UNESCO on enhancement of environmental awareness targeting effective water and wetlands ecosystems management of the Volga delta is an essential part of the Company's efforts on protection of water resources.

“We manage to effectively protect Russian waters, successfully convert large volumes of materials and promulgate healthy, active lifestyle”

In the long-term perspective the company hopes to expand the portfolio of water resource protection projects in Russia.

140 people directly and 2,000 people indirectly benefited from participation in the Training-Seminars and round-tables on "Involvement of governmental, private and public organizations in solving problems on conservation of the Lower Volga wetlands".

The Volga Day

Within the framework of the programme "Living Volga" the Volga day is celebrated. In 2011 more than 3,500 people took part in the project. The deliverables of the last year's project show that the people of the Volga region are not only concerned with the fate of the river, but also are willing to contribute to the support of the environment.

102 km of the river were cleaned up in 2011. Over 400 km has been cleaned since 2007. 47 tons of garbage were collected in 2011.

National Contest of Junior Water Projects (JWP)

The Contest started in 2003. During 10 years over 16000 pupils from 79 regions of Russia took part in the contest. Over 10000 projects were presented in the sphere of water resources protection. The winning project was implemented with the support of Coca-Cola Hellenic. In 2012 contests were organized in 71 regions of the Russian Federation. Over 1900 participants presented about 1500 projects all over the country. In April 75 regional winners participated in the national final stage of the contest in Moscow. The national winner will represent Russia in Stockholm JWP.

Efficient Packaging & Packaging Waste Management Project "Second life of packaging"

The main objective of the project is environmental education of schoolchildren in the sphere of selective collection and recycling of domestic wastes, especially packaging waste, and careful attitude to the environment. The main Project components are:

- Exhibitions of secondary materials and spin-offs produced from recycled packaging waste, information on selective waste collection and recycling technologies. 5 exhibitions were organized with the support of the company in 2011, where were registered about 3500 visitors.
- Contests:
- Contest of the best dress made from packaging among the students-designers of the art colleges
 - Contest of environmental posters "Youth for the clean world!" among senior schoolchildren
 - Contest of handmade articles "Packaging magic" among junior schoolchildren
- Educational movie on plastic packaging recycling.

PET bottle recycling project

The aim of this project is to develop effective collection PET bottle (in Solnechnogorsk) and test it in practice. The partner of the program is PET recycling plant "Plarus" (part of Europlast Group).

The first phase of the project was implemented in September 2010.

Collection bins were placed in the eight schools. 2000 kg were collected during one month.

The second step of the project was launched in November 2011 and will run till December 2012. The main purpose is to attract citizens to the joint collection activity, placement of collection bins in urban residential districts. Expected collected amount is up to 12,000 kg PET / month. The third step is planned for January-December 2012. Currently we can say that over 15 000 kg of PET bottles were collected from November 2011 till April 2012.

All these projects are only one part of the company's efforts to put the principles of CSR into practice. Another important task is to build a culture of CSR, which is an integral part of Coca-Cola Hellenic business.

In the field of CSR, the company takes the same approach across the management structure as well as in any other sphere of its business. Coca-Cola Hellenic implements leading standards, sets targets and regularly monitors the dynamics of its achievements. In addition, the data on the effectiveness in this area is regularly published in the annual reports of the Council of the Group and Coca-Cola Hellenic in Russia.

Corporate social responsibility is an area in which competence is required for the management of the company, and is criterion measure used to assess its effectiveness.



Coca-Cola Hellenic is one of the world's largest bottler of products under the trademark of The Coca-Cola Company. Coca-Cola Hellenic operates in

28 countries and is Europe's leading manufacturer of beverages trademarked by The Coca-Cola Company with sales of more than 2 billion unit cases. The company caters for approximately 560 million people, and provides over 40,000 jobs. In Russia Coca-Cola Hellenic is represented by Coca-Cola HBC Eurasia and owns factories in Moscow and other regions. In Russia the company executes distribution of Brown-Forman Corporation alcoholic beverages. In the recent years Coca-Cola Hellenic has established itself as one of the largest investors among manufacturers of consumer goods.

www.coca-colahellenic.ru

GoGreen for Sustainable Cities - The Role of Logistics

by **Katharina Tomoff**,
Vice President GoGreen,
Deutsche Post DHL
and **Martin Brown**,
Programme Director City Logistics,
DHL Customer Solutions & Innovations



Deutsche Post DHL - minimizing its environmental footprint with innovative solutions

As the world's biggest mail and logistics services group, Deutsche Post DHL operates one of the largest private transportation networks consisting of vehicles and aircraft fleets, and has operations facilities in over 220 countries and territories. While the company is facilitating trade, growth and wealth through logistics services, it acknowledges the impact of its global operations on the environment and its special responsibility for society. That is why Deutsche Post DHL has integrated its corporate responsibility into its Group Strategy 2015. Under the motto "Living Responsibility", the Group focuses on protecting the environment (GoGreen), disaster management (GoHelp) and championing education (GoTeach).

The environmental protection program GoGreen has been implemented to minimize the company's impact on the environment. Deutsche Post DHL has set itself the goal to improve its carbon efficiency, including subcontracted business, by 30% by the year 2020, compared to the baseline year 2007. This voluntary goal underlines Deutsche Post DHL's commitment to assume its environmental responsibility and encourage the use of green solutions and technologies, as defined in the UN Global Compact Principles. To measure and monitor the GoGreen goal, Deutsche Post DHL has set up a Group-wide carbon accounting and controlling. To reach the goal it is implementing various efficiency improvement measures. They range from network optimization, fleet modernization and testing of alternative vehicle and building technologies, to

“ *If you want to remain a viable global player for the future, you also have to be a part of the solution to today's problems* ”

employee mobilization and green solutions for customers.

"A commitment to the environment and society is an integral component of our company strategy. We take our responsibility seriously and invest in sustainability – for instance, in initiatives for the environment," says Rainer Wend, Executive Vice President of Corporate Public Policy and Responsibility. "If you want to remain a viable global player for the future, you also have to be a part of the solution to today's problems."

Improving Deutsche Post DHL's carbon efficiency is part of its corporate responsibility and at the same time it opens up business opportunities. Innovative solutions play an especially important role to leveraging these opportunities. Deutsche Post DHL has a dedicated Corporate Department, responsible for identifying and developing innovative solutions. One of the key challenges is the development of sustainable logistics concepts for today's and future cities.

Green logistics for sustainable cities

Cities are not static islands of concrete and steel: they are dynamic, vibrant entities that continually change and adapt, to the environment and their constituent's needs. As cities continue to develop, one particular source of attention is the sustainable management of flow of goods and services in and around urban environments, and the reverse logistics of packaging and waste away from these areas. At Deutsche Post DHL refers to such flows as City Logistics. The Company strives to develop innovative concepts and solutions, enabling secure and reliable deliveries,

and minimizing the environmental impact of logistics.

One solution is the use of cross-dock and consolidation platforms, called Urban Freight Centres (UFC). By aggregating products into full truckloads destined to a specific point of usage, whether that be a shopping mall, a hotel or even an airport terminal, DHL's scheduling and planning of consolidated deliveries has reduced the amount downstream freight movements by a factor of 75%. It furthermore scheduled the remaining deliveries to a route and time that de-conflicts with peak periods and congestion. A successful example for an UFC is DHL's Heathrow Consolidation Centre, consolidating deliveries for Heathrow Airport Limited. This solution saves more than 200,000 kilometers and 160 tonnes of CO₂ per year. Additionally, UFC solutions reduce air and noise pollution, whilst local government can look to lower spend on city maintenance, as less freight movements simply equates to less infrastructure damage. When these principles are designed into development planning, a vast saving can be gleamed in capital spend as consolidation reduces the requirement for loading bays and parking areas by about 60%.

Innovative City Logistics solutions are also being applied to the infamous last-mile, where traditionally much of the costs are incurred. DHL developed its own SmartTruck to optimize pick-ups and deliveries and is developing the next generation of applications for the UFC, alongside a number of strategic partners. The SmartTruck, for instance, is reducing kilometers driven for pick-up and deliveries by up to 15%.

Electric vehicles for city logistics

Another important solution to improve carbon efficiency on the first and last mile are alternative drive trains. Deutsche Post DHL has a four-step-approach to identify the right technologies for different fields of operations, ranging from line haul to inner-city deliveries:

- CO₂ - and As-Is-analysis
- identification of relevant technologies and solutions
- tests and pilot projects with various manufacturers
- using test results to improve technologies (manufacturers) and to decide on the implementation of alternative vehicle technologies (operators)

Pick-up and delivery within cities is generally affected by high frequency stop-and-go-traffic and short routes (an average of 40 kilometers per day). That is why Deutsche Post DHL currently focuses on electro mobility as a sustainable and appropriate City Logistics solution. In 2012, the company is using more than 100 electric vehicles within its fleet. Vehicles in the weight classes 2.3, 2.8 and 3.5 tonnes are tested in mail and parcel delivery in Germany and express business in further countries. With an operating distance of around 90 kilometers, the batteries of those vehicles have the right dimension for pick-up and delivery within cities, and the vehicles can be charged over night at the delivery depots. This makes electro mobility a perfect fit for

those operational processes. Deutsche Post DHL has set up the necessary charging infrastructure, provided with green electricity, to operate the electric vehicles as green as possible.

Electric vehicles for logistics operations are still in the prototype phase. Deutsche Post DHL already collaborates with various car manufacturers to support the development of electro mobility for commercial transport. Next to reducing CO₂ emissions by more than 90%, electric vehicles contribute to the reduction of noise emissions and local pollutants such as nitrous oxides (NOx), sulfur oxide (SOx) and particulate matter. A perfect solution for sustainable cities.

Deutsche Post DHL is testing and operating more than 4,000 non-conventional vehicles with alternative drive trains or electronic and aerodynamic modifications. The Company is further driving the development and implementation of innovative solutions – for sustainable cities and greener logistics in order to make it easier to do business and to improve the quality of life for residents and businesses alike, in these urbanized areas.

Further information about the GoGreen program:

<http://www.dp-dhl.com/gogreen>

Deutsche Post DHL

Deutsche Post DHL is the world's leading mail and logistics services Group. The Deutsche Post and DHL corporate brands represent a one-of-a-kind portfolio of logistics (DHL) and communications (Deutsche Post) services. The Group provides its customers with both easy to use standardized products as well as innovative and tailored solutions ranging from dialog marketing to industrial supply chains. About 470,000 employees in more than 220 countries and territories form a global network focused on service, quality and sustainability. With programs in the areas of environmental protection, disaster management and championing education, the Group is committed to Corporate Responsibility. In 2011, Deutsche Post DHL generated revenues of euros 53 billion.

www.dp-dhl.com

The Green Hotel Room - Organic and Fairtrade Hotel Textiles

by **Ralf Hellmann,**
CEO,
Dibella

A few years back, the hotel industry started going green. Many initiatives sprung up, ranging from refreshing towels only on the guest's demand, to using room cards in order to manage air conditioning and lights, to offering a selection of organic and Fairtrade food. However, not much attention has been given to the origin of the billions of bed sheets and towels, all made from cotton and/or polyester, being used each day in the hotel industry. How could a hotel improve the sustainability of the enormous amount of cotton used? This became the mission – and passion – of the German-Dutch company Dibella; offering organic and Fairtrade organic cotton bed, bath and table linens to hotels and hospitals. By using organic and Fairtrade cotton products, Dibella is proud to be contributing to improving the living and working conditions of organic and Fairtrade cotton farmers and also protecting the environment.

In the beginning

The first request for Fairtrade and organic hotel linen from a Dutch linen rental laundry came in at the end of 2010, making it the trigger for Dibella to start its line of entirely sustainable textiles named BREEZE, specially intended for the hotel industry. Dibella championed the idea and saw the potential to make a significant and impactful change in this untapped yet potentially massive market. After carrying out research on the different standards and certifications available, Dibella first achieved GOTS certified organic cotton for their linens and then a combination of organic and Fairtrade. Since May 2011, both Fairtrade and organic cotton have become an essential part

of Dibella's sustainability strategy as the company endeavors to offer an entirely ecologically and socially responsible products to its customers.

The market

In order to put the market of hotel linens in context, Germany – Dibella's home market – is a good example. Germany counts 20,467 hotels and B&Bs, with over 775,000 rooms and 1,389,000 beds (this data excludes pensions, guest houses, serviced apartments and other types of vacation accommodation). These figures, for just the German market, can be multiplied at a European and global level and give an overview of the "Green Hotel Room" brings together the full meaning of the impact this can have on changing the industry's current behaviour.

The awareness

While the hotel industry has been focusing on sustainability initiatives linked to energy efficiency, water conservation, development of local communities around hotels and the offer of an organic or Fairtrade food selection, few steps have been taken to address the origin of linens, and the sustainability of the raw materials, such as cotton. So far, the major challenge faced by Dibella has been the lack of awareness of linen rental companies and hotel chains on this topic. To this end, Dibella is continuously working at raising awareness on all fronts.

Additionally, a combined organic and Fairtrade product increase the price to its conventional counterpart. In an industry incre-

asingly putting price pressure on linens, the BREEZE line is not easy to sell.

Value chain partners

After a first start in organic cotton, Dibella very soon decided to offer an entirely sustainable product and so chose to encompass both the organic and Fairtrade components to cotton. Finding a supplier able to provide the company with both Fairtrade and organic cotton has been a challenge. Introduced by the Fairtrade organisation, Dibella works closely with an Indian company who is able to supply Dibella with the desired fabrics. This fabric is then sewed in the Czech Republic by a business partner who has undergone both Fairtrade and organic certification, making it the first sewing supplier in the Czech Republic.

Dibella offers a "just-in-time" service, because main items are stored in Germany.

Advance and leadership

So, how do you even begin to raise the awareness of an entire industry? Dibella decided to start this journey "organically" by focusing on the company's German hometown Bocholt, where the Company has a tight connection with local institutions, and in particular with the Mayor, Peter Nebelo. The main goal of such link is the offer of at least one "Green Hotel Room" to the guests, making this a media event for the city, and for the Company as well. In addition, a hotel (town hotel Kolping) was supplied with sustainable textiles from Dibella's BREEZE line. This attracted media attention and created a buzz around this innovative concept. Dibella's dream is for each German city to have at least one "Green Hotel Room". As Peter Nebelo said, "We're also going organic and I'm very proud of our companies that either sell or use organic Fairtrade cotton, such as Dibella and the town hotel Kolping".

Telling the story

Dibella has developed an innovative communication's concept around its BREEZE line, which is the Green Hotel Room „for guests whose commitment to environment and social justice does not stop when they go to sleep".

The organic and Fairtrade products are part of a wider company Corporate Social Responsibility (CSR) strategy. Dibella is the first company in its industry to release a CSR report. Published in April 2012, this report is based on the ISO 26000 guidelines and shows that Dibella is working towards embedding sustainability in the core activities of its business. Dibella has been sourcing from the same supply base for many years and these suppliers have abided to the company's ethical requirements and policies. Every new supplier is assessed against these policies but also against the SA8000 and GOTS standards. On the environmental side, besides its organic and Fairtrade cotton product line, Dibella works to source more sustainable office supplies and its car fleet has been partially replaced by LPG and hybrid cars.

During the new construction of the Dutch Dibella office building, the need for a conventional heating system using fossil fuels has been replaced by heating which takes place by means of air heat pumps operated with electricity. Since August of 2011, only eco-electricity that has been proven to be generated using wind, solar and hydraulic energy has been purchased. Consequently, the office building is heated and cooled in an entirely CO₂-neutral manner. The waste heat produced in the server room is additionally diverted into the building corridors. As a result of this additional heating of corridors is largely possible to dispense with the operation of the air heat pumps here during heating periods.

Where to go next?

Dibella's target is to have 10% of its sales coming from its BREEZE line by 2015. Dibella is confident that the market will grow quickly in the near future and has already stored 200,000 euros worth of organic and Fairtrade linens. With the passion and dynamic work of its team, Dibella will ensure us a good night's sleep because our commitment to social justice does not stop when we go to sleep.

Moreover, the Company future ambition is to export the concept of the "Green Hotel Room" internationally.

 **Dibella**
longlife textiles

Dibella is a B2B company, contracting textiles suitable for industrial use: bed linens and sheets, table linens, towels, and terry goods, with a business based mainly in Europe. The Company headquarter is literally on the border between Germany and the Netherlands (Bocholt in Germany and Aalten in the Netherlands).

The Company turnover was 20 million euro in 2011, and the 96% of sales were made with laundries for hotels and hospitals (70% hotel market and 30% hospital market).

The beginning of sells of organic cotton bed linens was May 2011; and the Company has the following sustainability collections: Organic Cotton, Fairtrade Cotton, Recycled Polyester. The Company has two international certifications: GOTS and Fairtrade.

www.dibella.de

Innovation from Underground - Heat Pumps

by **Victoria Grib**,
Sustainability Manager,
DTEK

DTEK considers the issues of environmental safety a key factor in successful business development. The Company is actively working to improve the ecological conditions in the regions of its presence and to save the environment for future generations. We are making every effort to reduce the negative impact of DTEK's industrial facilities on the environment. However, we strive to increase the energy efficiency of our production cycle, and this objective can be achieved both by modernization and introduction of fundamentally new solutions.

Issue

The coal-fired boiler plants provide a hot water supply for the mines. At the same time coal combustion results in the discharge of hazardous substances: solid particles, SO_x, NO_x, CO, greenhouse gases, etc. Another major concern is energy efficiency issue.

This problem is difficult to tackle as its solution requires substantial investments into reconstruction and modernization of morally and physically obsolete boiler plants currently in use and installation of the gas cleaning equipment.

Solution

In 2010, the Blagodatna mine of DTEK Pavlogradvugillya PJSC implemented the project to supply the mine with hot water by utilizing the low-grade heat using the heat pumps (TNU-800 heat pump unit). Thanks to this innovation, it became possible to use the heat energy of mine water for the mine's

household needs.

Prior to deciding on installing heat pumps at the Blagodatna mine, the Company's management carefully studied the relevant experience both in the CIS countries (particularly in Russia) and in Europe. Over 20 million heat pump units are installed in the residential sector worldwide. The World Energy Council expects that by 2020 75% of the global heat supply for the household and production purposes is going to rely on heat pumps utilization.

At present, Ukraine has no experience of operating the heat pump units in the industrial sector. In Russia they are mostly used either for experimental or private purposes.

Artur Martovytsky, DTEK Pavlogradvugillya PJSC, General Director: "This event was a perfect example

demonstrating the importance of combining the innovative approach to business development with real opportunities to implement the boldest ideas".

Cooperation with Ukraine's science and industry

The decision was made to use local scientific potential and the equipment produced by Ukrainian manufacturers. The Company's specialists developed a design and made a production of TNU-800 heat pump unit jointly with the scientists from Dnipropetrovsk National Mining University (DNMU) and the experts of Melitopol Refma Refrigerator Plant.

“*The project on the use of mine water heat is a part of the campaign aimed at reducing consumption of electricity, heat and other resources*”

Hennadiy Pivnyak, Dnipropetrovsk National Mining University, Rector: "This event is one of the first examples of the huge potential of cooperation between Ukraine's scientific elite and large business".

Main project parameters:

Investments: UAH 3.9 million

Unit heat capacity: 800 kW

7-hour operation cycle, 120 m³ of water, maximum temperature of water is 45°C Annual saving: UAH 600 thousand

Payback period: 6.5 years

The unit includes three simultaneously operating heat pump modules based on NKT-270 pumps produced by Refma Plant.

Operation principle

The heat pump unit operates according to the refrigerator principle: the freezer evaporator draws the heat out of the products which it emits into the condenser. The heat pump unit operates in a similar way: it draws the heat out of any low-grade sources of energy (water, air, etc.).

14-15°C mine water is transferred to the primary heat exchanger where its 2-3°C is extracted and transferred to the heat pump with the clean water. Inside the pump the temperature rises to 45-49°C. Then the heated water goes through the primary loop of the plate heat exchanger where it transfers the heat to the water directly delivered to and used in the baths.

The unit operates at night when the electricity tariff is 3 times lower than the day tariff and 4.8 times lower than the peak tariff, resulting in reduction of the grid load and additional savings.

Outcomes

The project implementation helped eliminate the source of air pollution and, as a result, reduce the gross emissions of:

- solid particles by 45.8 tons per year
- SO_x by 11.3 tons per year
- NO_x by 1.1 tons per year
- greenhouse gases by 887 tons per year.

Besides, the heat pump unit generates three to four kWh of heat energy per one spent kWh of electric power. Heating up the water by coal-fired boiler plants is less efficient: it takes 4-5 m³ of non-renewable primary sources of energy to heat up 1 m³ of water.

The project implementation also allowed reducing the operational costs for water heating and achieving a high level of process automation.

Long-term prospects

The effective implementation of the Blagodatna mine project,

the biggest one compared to similar projects in the CIS countries, affords ground for further expansion and extrapolation of this experience. The plan is that the the DNMU experts will analyze and make recommendations on the possibility to install similar units at other DTEK enterprises.

Several mines of DTEK Pavlogradvugillya PJSC have more water extracted together with the coal than at the Blagodatna mine. Whereas at the Blagodatna mine it is about 260-290 m³/h, the Stashkov mine has 1,500 m³ of water. Therefore, the suggested energy efficiency measures are innovative, economically effective and promising.

The project inspired interest abroad. According to Eckehard Buescher, International Projects Manager of the German Geothermal Center (Bochum, Germany) it is the first industrial unit in the world that uses water from the operating mines.

Aleksandr Tolkach, DTEK, Director for External Affairs:

"DTEK has a comprehensive approach to energy efficiency of its operating companies. The project on the use of mine water heat is a part of the campaign aimed at reducing consumption of electricity, heat and other resources. The amount of the project investments totaled about UAH 4 m. The annual savings are more than UAH 600 thousand. The heat pump unit is capable of heating 9 times more water than the company requires. So it can be used to meet the needs of the neighboring towns and villages".

DTEK is the largest privately-owned vertically-integrated energy company in Ukraine,

with efficient enterprises that mine and prepare coal as well as operate on electrical power generation and supply markets. The Company is the energy division of System Capital Management (SCM).

DTEK can maintain its leading position in Ukraine's fuel and energy market thanks to synergies from its coal-producing and power-generating companies, the introduction of cutting-edge technology, a professional management team and a balanced social policy.

The Company's development plan envisions building an energy company linking Ukraine, the European Union and Russia in a single chain for the production and sale of electrical power.

www.dtek.com/en

Climate Neutral Car Fleet

by **Katarzyna Siekowska**,
CEO,
e+ Company

Often sustainability policies are considered exclusive matters of large enterprises, which usually optimize and improve already existing solutions. On the other side, small and medium enterprises, such as e+, are trying to implement innovative and revolutionary solutions regarding sustainability, showing themselves as particularly committed to new and concrete sustainability programs and affirming them anything but irrelevant in that matter. The flexibility and dynamism which characterize SMEs usually allow them to be more innovative. This is the core idea at the basis of e+ business.

The fact that, traditionally, we think about cars with conventional engines doesn't mean that this is the only way to make cars. For example, why should we think that rental car companies couldn't use innovative and different types of cars in their fleet? We think that people who do not ask brave questions will never get brave answers. And when it comes to rapid and radical changes, breaking schematic market rules is needed. SMEs can be innovators who positively drive the world economy towards sustainability and innovation.

e+, a joint venture of Alva Technologies and Polenergia SA, has started the rollout of electric mobility infrastructure in Poland and is the leader in electric mobility services in Poland. It acts as an integrator providing all necessary services required for electric car use. The competitiveness of the company assumes a revolutionary way of thinking in terms of innovation. Instead of inventing new solutions to reduce

emissions, it offers a fleet that does not emit CO₂ at all. e+ is currently the only company of this type in Poland. The strategy of e+ is to promote, educate and integrate the electric vehicle (EV) market in Poland. It provides the customers with a full range of services, such as:

- access to its dynamically expanding charging point network,
- leasing and rental of electric cars,
- car maintenance,
- support,
- insurance,
- and road side assistance.

“We are trying to implement innovative and revolutionary solutions regarding sustainability: let's make re+volution!”

An overall service is a unique value that e+ has introduced to its customers, which get not just a vehicle, but all the required services, including an unlimited access to the charging infrastructure. The costs of all services are stable for companies cooperating with e+.

e+ has a strategic target to develop and promote the electric mobility market in Poland. In particular, the objective of e+ is to deliver tailor-made services which

will turn electric vehicles into a real transport solution, oriented towards promoting a mobility transformation within crowded cities. The company created its own charging points in Warsaw available in 4 major shopping malls of the city. Recently, a new charging station has been opened in Lodz, which is the second largest city in Poland. In the future e+ plans to expand its presence in all major Polish cities, which will hopefully turn Poland into one of the leading countries in Europe in terms of electric mobility. Its plans are to install 300 charg-

ing points by 2013 operating in a network in 14 largest cities. Customers have at their disposal most of the electric vehicles currently produced worldwide, such as: Mitsubishi iMiEV (the first serially produced EV in the world), Peugeot iON and Taz-zari.

Even if the company's business model is characterized by zero direct CO₂ emissions (Scope 1), there is high awareness about the indirect impacts related to the electric energy production. And even if EV's emissions are lower than the emissions caused by conventional cars, it still contributes to the greenhouse effect. Therefore, the next step for e+ will be providing renewable energy to its network of charging points. This objective is not far from being achieved, since one of the main shareholders of the company - Polenergia group - is also one of the pioneers and leaders of the green energy market in Poland.

Moreover, an important achievement of e+, which is much more than only a combination of business and sustainability, was the access, as the second Polish company, to the UN Climate Neutral Network - an initiative of the United Nations Environment Programme (UNEP) that assists in catalyzing a global response to the most pressing challenge of our time: the global warming. The initiative is coordinated by UNEP that acts as a platform to share best practices in achieving climate neutrality, learning from each other and inspiring others. It is significant that despite the small company size, e+ case study has been described in the prestigious annual report "Responsible Business in Poland 2011" as an example of good, highly recommended business practice.



The e+ company has been established in order to deliver complex solutions to current transportation challenges in crowded and polluted cities with rapidly growing gas prices. Two investors: Polenergia SA - the first Polish private energy group and Alva Technologies - technology company based in Israel, noticed the demand for a complete range of electric vehicle (EV) services, lack of which was a barrier to electric mobility development in Poland. Since e+ is a microenterprise with less than 10 employees, it cannot become a member of the UN Global Compact. Nevertheless, e+ fully supports the adoption of 10 rules and is the second company in Poland that joined the Climate Neutral Network initiated by UNEP.

www.electricmobility.pl

Separate Waste: Education for Sustainable Development

by **Monika Romenska**,
Director PA, Communication & Regulations,
Ecopack Bulgaria AD

Background

3D Ecobus – the newest project of Ecopack is part of the company's efforts to promote responsible attitudes towards the environment and particularly the separate waste collection of packaging among children. This project is adapted to climate change and indirectly contributes to prevent changes in air quality resulting from the generation of packaging waste. Promotion of separate waste collection in households, businesses, schools and institutions will protect their health, communities and habitats of animals and plants, natural and cultural values of the nuisance and will prevent the occurrence of dangers and damages for the society with the change of air quality. We believe that the implementation of all planned project activities will influence:

1) To produce a ton of newspapers, it is needed wood from 24 trees. If, instead of throwing newspapers and paper packaging, they are divided in the household and then put in containers for separate collection many trees will be saved from cutting, enormous amounts of water needed for the production of paper will be saved and air pollution will be reduced with 73%.

2) Glass is not biodegradable in nature, while recycling is an ideal material because it can be processed into new glass products unlimited number of times. Recycling saves unnecessary pollution – 20% of air and 50% of water, while saving a lot of energy which would otherwise have been used for production of primary glass. By creation of conditions for separate collection of waste glass in more Bulgarian households, the effects on climate will be significant.

3) Millions of plastic bottles, bags and packing are discarded in garbage annually in Bulgaria from households, businesses, schools and institutions. If not recycled, plastic gets in dungfills where its decomposition takes from 500 to 1000 years and contaminates the soil and water with harmful toxins. Production of plastic is twice energy-intensive as a process of recycling. One ton of plastic saves electricity for a Bulgarian household for 2 years. With this project proposal we aim to

train and inform to great extent about separate collection the entities generating plastic packaging. We believe that this will increase the amount of plastic materials for recycling and will save the climate disposal of huge quantities of harmful gases, toxins, dust and soot.

4) An aluminum packing can be recycled several times. Its recycling requires only 5% of the energy needed for the primary production. Collecting separately the aluminum packing will help to keep deposits of aluminum ore and to reduce discharges of harmful gases into the atmosphere during their production.

5) All informational and educational materials, technical equipment, household containers, informational panels and Ecobus will be produced and will work considering the environmental impact. They all will be made from recycled materials or will be recyclable. Our goal is to minimize carbon dioxide emissions, air and water pollution and energy consumption for their production and transport. From our contractors and suppliers we will require compliance with the rules of Green buying and Zero waste processes, reducing the production impact on the environment. Overall, the proposal will lead to bet-

“Promote responsible attitudes towards the environment and particularly the separate waste collection of packaging among children”

ter implementation of EU and Bulgarian legislation for Waste Management, which is an indirect positive impact on climate indicators.

What is the Ecopack 3D bus?

It is a modern and mobile center for trainings and presentations, which presents in an interesting and interactive way the problem of separate collection to students from first to fourth grade. The program of 3Dbus is consistent with the interests of children in the age group. So far, 3890 students from grade 1 to 4 of 22 schools in Sofia had the possibility to learn about the separate collection and its benefits in Ecopack eco-bus. Each of the children visited the green hours of Ecopack, receives a gift – seeds of acacia or fir-tree, which he has to plant. The campaign will cover over 410 schools (100 000 children) in 96 municipalities in Bulgaria where ECOPACK operates and will last 2,5 years.

Once it became a magnet for hundreds of students, Ecopack 3Dbus opened its doors and for its first adult guests. Corporate training and seminars for separate collection in 3D Ecobus – Employees of companies Coca-Cola, Procter & Gamble, Phillip Morris, Danone, GornaBanya and others, had the opportunity to experience mobile company training for the separate waste collection of packaging in 3D Ecobus. The training agenda included a presentation on Ecopack and systems for separate collection, a visit of the separating lines and educational movie “The way of the packaging waste” For all attendees there were brochures with more information about Ecopack and separate collection, as well as special eco-degrees.

European “added value”

The Project as a whole and all of the activities carry European “added value”. Its main goal is related to the implementation of Community policies in the area of separate waste collection and sustainable development by providing European “added value”, dissemination of information, raising public awareness and knowledge.

The object of intervention is an important Community problem related to separate waste collection and the need to encourage more people to adopt it. The results that the project aims to achieve would significantly contribute towards the attainment of the main goal of Life+. In this context, the European added value of the present project proposal takes several forms.

Contribution towards meeting the EU's environmental goals – The EU is aiming for a significant cut in the amount of rubbish generated, through new waste prevention initiatives, better use of resources, and encouraging a shift to more sustainable consumption patterns.

The European Union's approach to waste management is based on the principles of:

- Waste prevention: This is a key factor in any waste management strategy. If we can reduce the amount of waste generated in the first place and reduce its hazardousness by reduc-

ing the presence of dangerous substances in products, then disposing of it will automatically become simpler. Waste prevention is closely linked with improving manufacturing methods and influencing consumers to demand greener products and less packaging.

- Recycling and reuse: If waste cannot be prevented, as many of the materials as possible should be recovered, preferably by recycling. The European Commission has defined several specific ‘waste streams’ for priority attention, the aim being to reduce their overall environmental impact. This includes packaging waste, end-of-life vehicles, and batteries, electrical and electronic waste. EU directives now require Member States to introduce legislation on waste collection, reuse, recycling and disposal of these waste streams.

The Ecopack project is quite relevant and its activities would help attain the EU environmental goals concerning waste prevention and recycling and reuse. Furthermore, it contributes towards five of the strategic goals of the National Waste Management Program 2009-2013:

- Waste prevention and reduction.
- Increasing the amount of recycled and reused waste.
- Improving the organization of the processes of waste separation, temporary storage, collection, and transportation.
- Public involvement.
- Information campaigns about the potential opportunities and benefits from separate collection, reuse, and recycling of waste.

ECOPACK PACKAGING RECOVERY ORGANIZATION

Ecopack is the leading recovery organization for packaging waste in Bulgaria with market share for 2011 of 47%. It was established in February 2004 by 18 leading international and Bulgarian companies and does not distribute profit. The Organization operates in 96 Bulgarian municipalities and covers population of over 2,8mln inhabitants. During the period 2006 – 2011 Ecopack has invested 7,9 million EURO in separate waste collection systems Ecopack, technical equipment and information and education campaigns. The Organization has established an efficient and sustainable system for collection, recycling and recovery of packaging, ensuring high level of environmental protection for benefits to the citizens of Bulgaria.

www.ecopack.bg

ELVAL ALUMINIUM CAN RECYCLING CENTER - Educational Environmental Programme

by **Erietta Papadogianni**,
Communication Manager,
Elval-Canal, Viohalco



The benefits from aluminium recycling. What is the issue in Greece ?

The benefits from recycling aluminium are self-evident and well appreciated worldwide since:

1. Aluminium recycling saves up to 95% of the energy required for primary aluminium production (from bauxite ore).
2. Recycling of aluminium saves 80 million tonnes of CO₂ annually.
3. Aluminium is infinitely recyclable without losing any of its properties. About 75% of all aluminium, produced since 1888, is still in use.
4. Aluminium's economic scrap value and ability to be recycled infinitely, makes the aluminium beverage can the most recycled container in the world, with an average rate in Europe of 63% approximately and over 96% in certain countries.

However, this is not the case for Greece. Unfortunately, according to the European Aluminium Association's latest figures, Greece is recycling only 36% of consumed beverage cans annually. It is obvious, that a lot of effort must be placed by all participants, such as public and local authorities, the private sector as well as consumers, in order to reverse this extremely poor record.

ELVAL strongly believes in the multiple benefits from aluminium recycling and its contribution to Sustainable Development and therefore the company has invested in various projects such as de-lacquering furnaces that incorporate innovative technology for the environmentally - friendly recycling of aluminium and the Aluminium Can Recycling Center (CANAL). CANAL is a modern recycling center, located in a nice suburban area near Athens, in order to be easily accessible by individuals and professionals, that buys and packages used aluminium cans, which are then forwarded to ELVAL's plant to be used again in the production process. CANAL has the capacity of annually processing 2,800 tonnes approximately of used beverage cans.

Additionally, CANAL is active in two other fields:

- A) CANAL functions as a communication center hosting schools, environmental and other organizations in order to be informed on

the benefits and practical applications of recycling, via audiovisual material and experiencing the recycling phases applied at the Center (scrap selection, etc). Since 2006, more than 23,000 students had the opportunity to visit the Center and be informed on issues of recycling, environmental protection and waste management responsible practices.

B) CANAL develops and supports educational programs addressed to primary schools.

Having as a goal to raise awareness in the school community and families regarding environmental issues, the Center has been implementing for six consecutive years educational programmes for the students of primary schools.

"Environment and recycling"

The main objective of this initiative is to educate students regarding environmental protection with an additional focus in promoting recycling. The company's ultimate goal is to motivate the school community towards a better environment and sustainability principles.

The educational programmes are created and developed in cooperation with "Viomatiko Sxolio"(Experiential School), the educational department of The QualityNet Foundation, an NGO that promotes sustainability in Greece. The environmental educational programmes form part of the "Environmental Marathon", a broader institution of The QualityNet Foundation for the promotion of Social and Environmental Responsibility and are implemented under the auspices of The Ministry of Education, Lifelong Learning & Religious Affairs as well as of The Ministry of Environment, Energy and Climate Change.

In 2006, the educational programme "Environment & Recycling" was initiated. The programme was implemented during four school years, in the primary schools of Attica, Viotia and Corinthia Prefectures. The programme's goal was to raise awareness and mobilize students, teachers and families towards environmental protection in general. For this reason, educational material was distributed in schools and

teachers were involved by developing activities proposed by specially designed informative material. The educational programmes were combined with relevant competitions in the fields of arts, knowledge and experiential activities among schools, in order to spread the concept of environmental protection and sustainability. Every school year, the programme concluded with a big Open Event for the students, their families and local communities where all the projects and activities that were entered in the competition were displayed. About 2,000 original projects in total, entered the competition during the 2006-7 to 2009-2010 school years, while 25,628 students participated in the educational programmes. The events were related to the celebration of the Day of the Environment, with the aim to capture the attention of the media and amplify the message "that environmental protection is an issue that concerns all of us". A message that was very sensitively expressed by all the environmental projects created by the children.

"Life without garbage: reduce, reuse, recycle"

In 2010, ELVAL in cooperation with The QualityNet Foundation, we created an even more in- depth and tailored-made educational programme, also for students of primary education. This new educational programme addresses the major issue of waste management in Greece. Among other national goals related to recycling, Greece has the obligation to get prepared for:

- a) reuse and recycle at least 50% of urban solid waste from paper, metals, plastic and glass.
- b) reuse, recover and recycle at least 70% of building demolition materials.

The idea of this new project was to adapt the principles of the 2008/98/ EC Directive of the European Parliament for the handling of waste in the European Community, applied by Industry, in a simplified and easily-understood way for students and their families. According to this Directive, waste management methods are prioritized from the most preferable, which is prevention, to the second-best, which is reuse, the third, which is recycle, the fourth, which is recovery and energy utilization and last, the least preferable, which is final disposal. The aim of this waste management hierarchy pyramid is of course to minimize waste and to reduce the impact on natural resources and the environment and at the same time achieve energy saving.

The programme called "**Life without garbage: reduce, reuse, and recycle**" presents the three main solutions of reducing, reusing and recycling, as a means of solving the problem. Additionally, the programme focuses on the area of recycling aluminium cans. The aluminium can is characterized as the "green" metal, as it can be infinitely recycled, without losing its properties. Therefore, it constitutes the most recycled material of packaging, worldwide.

The educational programme is implemented during two school periods (2010-2011 and 2011-2012), with great success and demand by the schools of the Attica Prefecture, as it provides the means of targeted environmental education, in an adverse financial period for Greece. Additionally, the programme provides a holistic approach to the issues addressed, as it consists of educational activities in the classroom, performed by a trained facilitator-educator, educational material

for the teacher, an environmental song, a theatrical play with heroes "Alumina" and "Aluminios" and a board game for each student. The programme is also coupled with an environmental competition, in order to underline the concept. Classes that show a better understanding of waste management and aluminium can recycling, are distinguished.

Results

Environmental education constitutes a significant part of Elval's Corporate Responsibility Programme, in which the Company continually invests. The results of this six- school years implementation period of the environmental education programmes, have proven the company's commitment to environmental protection and sustainability principles diffusion in the society at large.

All these years, more than 32,700 students from 1,500 schools approximately, have participated in ELVAL's educational programmes, creating around 2,100 "trash-art" projects, a large number of which are permanently exhibited at CANAL.

The school community has embraced the programme, recognizing its value for the students' environmental education. Some of the teachers' comments after the implementation of the programme are very characteristic: *"The experiential approach, the playful character and the team work, have kept steady children's interest to the end and effortlessly passed the message of "life without garbage"; "The programme has an integrated approach and was really experiential. Students were made aware, learnt and now are ready to implement their knowledge. It is an important effort."*



ELVAL S.A. is a Greek company, among the most important aluminium rolling companies on an international level and leader in the Greek market. ELVAL's extensive production facilities, which include 10 plants in Greece, Bulgaria and the

U.K., manufacture a wide range of products meeting the needs of the food, beverage, shipbuilding and automotive industries, construction and printing. ELVAL is intensively focused on international markets, exporting 88% of its production worldwide. ELVAL's exports account for 4,2% approximately of total Greek exports. ELVAL acknowledges that its operation has a significant impact on its stakeholders and the environment. The company has set goals such as minimization of its environmental footprint and supporting the local communities. Under these, ELVAL has invested in aluminium recycling, by founding the Aluminium Can Recycling Center (CANAL) among other activities.

www.canal.gr

EMBRACO ECOLOGY AWARD: Education for Better Future

by **Norbert Brath**,
General Manager,
Embraco

One of Embraco's business pillars, sustainability represents our commitment – as global market leaders in hermetic compressors for refrigeration – to balance the economic, social and environmental aspects. To minimize the impacts of our activity, we seek to reduce the consumption of raw materials, water and energy, encourage best practices by their suppliers and contribute to the development of communities near the plants.

Our main focus is energy efficiency. Embraco is a world reference in developing solutions that surpass the more stringent international standards in relation to energy consumption.

The key high-efficiency product is the Embraco VCC compressor, capable of reducing the refrigerators' energy consumption by 40% and responsible for the company's global leadership in this segment.

We also seek continuous improvement in existing products. In the VEM compressor line, for example, each new generation of compressors is more efficient than the previous one. The version launched in 2011 is 4% more efficient than that of 2010. This one, in turn, consumes 17.34% less energy than the three previous generations of products, launched in 2003.

In processes, Embraco saved, in 2010, enough energy to power a city of about 150,000 inhabitants for one month. In all units around the world, more than 32 million kWh were saved.

Responsibility outside the home

Our concern for sustainability goes beyond the internal processes. In 2010, we revamped our global approval criteria for new direct materials suppliers, intensifying the requirements linked to sustainability. The new certifications now depend on meeting a set of 13 items related to sustainability – against the three that were previously required. Regarding communities where the company operates, we believe that the long-term partnerships are the base for successful and re-

sponsible business. We applied clear and transparent policies in all activities to comply with the ten principles of the UN Global Compact, the Code of Ethics of our company and The Policy of Social Investment focused on support for children and teenagers in area of education and environment. In 2011, more than 28,000 people benefited from our actions in all countries we operate.

Embraco Ecology Award

Mankind is able to live in harmony with nature only if they are able to learn to understand it. That's what the company is trying to point out through Embraco Ecology Award.

In Slovakia, the program began to write its history in 2008 when we started the program's first edition. Over the next few years, due to creativity and energy of students and teachers, a number of interesting projects and activities were implemented that continuously improved the quality of life in our region.

The idea of the initiative is to awake the new generation's respect for the environment and to enhance the capacities and commitment of

children by involving them in environmental protection activities. We believe this will contribute to positive change, creating meaningful projects that will affect long-term quality of life and place, even the attitudes of young people. From its beginning we follow the quotation: "Man is not only what he is able to create but what he is not willing to destroy."

This program gives opportunity to all elementary schools in the region (Eastern Slovakia) to propose their project and to apply for a grant of 2000 euro. The range of activities that can be supported is wide, but always includes practical activities of children, not only in the school but also for the benefit of the community, the neighbourhood where they live.

Activities are aimed at the rational use of natural resources, saving

energy. For instance, production of methodological tools for teaching alternative energy sources (solar cooker, solar dryer from recycled materials), and unconventional solutions to save energy. An energy audit at the school can be provided, along with proposed measures (replacement of bulbs, use of drinking water, appliances, other means of transport). Preparation of information campaigns for the public or the school is possible. That way, we are able to point out the importance of natural resources, global warming, and ecological footprint. Schools can prepare practical activities and environmental programs (composting, organic production, waste separation and so on), natural gardens, mapping and removing invasive plant species, illegal dumps. Projects are evaluated by Embraco Ecology Award Committee, represented by external specialists in both areas of environment and education. Evaluation follows specific criteria, such as:

- Sticking to the priority topics – saving natural resources and energy;
- Participation of children, teachers and other partners from community;
- The benefits of environmental protection, tangible outputs;
- The use of local resources, efficient use of finance, obtaining finance or material support from other entities;
- Originality;
- Number of students, teachers and others who benefit from the project;
- Awareness of community / citizens.

Let's try it together!

This was the title of an awarded project in the first edition of Embraco Ecology Award.

Engaging young generation into waste separation, growing in their minds a sense of responsibility and helping create a lifelong habit for preserving the environment by reducing waste, raising awareness, promoting separation of waste through peer education, shifting the issues to schools, nurseries and organizations in region – those were the main goals of the elementary school at Levočská Street in Spišská Nová Ves.

In order to achieve these goals, the children prepared different activities, such as:

- Studying the theoretical knowledge about the waste separation during lessons of geography, natural history, and science.
- Organizing excursion field trip to a landfill, visiting a company with separation line and preparing photo documentation and video.
- Organization of literary competition – students created a logo, slogan under which the waste separation at the school runs.
- Painting competition – creating posters (leaflets, cartoons, mascot) to create awareness and start waste separation at the school.
- Preparation of presentation about waste separation initiative during computer science lessons.
- Creation of boards in the school premises with the theme of waste separation.
- Video conference with foreign partnership schools to share experience with waste separation.
- Purchasing and distribution of containers for waste separation at the school.
- Creating children's watchdog teams and engaging students in looking after the correctness of waste separation.
- Collecting biological waste from the school canteen.

- Organising an open day at the school to present a system of waste separation to other schools, kindergartens and organization through peer education.

- Lectures – theoretical knowledge presentation.

- Knowledge quiz.

As a result, students acquired knowledge and skills in the waste separation. They know how paper, glass, plastic and metal should be separated and what does not belong there. They monitor content of waste separation, providing separated waste to the containers and the subsequent collection by specialized company.

Students acquire basic communication and presentation skills in the promotion of waste separation.

The project involved more than 500 students of school, 33 teachers and 15 school staff. This spreading of education and experiences was transferred to the families of both students and staff. Experiences have been reported to other primary schools. Each class now has resources to carry out waste separation, which became part of the daily life in the kitchen and canteen as well.

Embraco Ecology Award programme brings new, fresh air in the region. It gives schools opportunity to create their own environment, their place to live, play, and learn. The results are long-lasting, bringing better future for next generations.

Embraco Ecology Award in five years history:

- 4 editions of Embraco Ecology Award conducted;
- 32 projects received;
- 11 projects awarded;
- More than 25,000 euro invested in the community – elementary schools in the region;
- More than 9 000 people directly benefited from this program.

embraco POWER IN.
CHANGE ON.

Embraco is the world leader in hermetic compressors for refrigeration – the main component responsible for producing cold in the refrigeration system. With global operations and production capacity exceeding 35 million units a year, the company offers solutions that are differentiated for their innovation and low energy consumption.

Besides the range of compressors, the Company also produces in its factories electrical components, cast iron, and complete cooling systems – for home and commercial use. The Company also produces electronic components, used in the optimization of appliances.

Technological leadership, operational excellence and sustainability are some of the pillars, which ensure the EMBRACO differential over other important companies in the world market. Embraco Slovakia s.r.o. joined UN Global Compact Network Slovakia in 2008.

www.embraco.sk

Biomass for Energy in a Green Economy: the Essent Story

by **Nina Skorupska**,
Chief Technology Officer
and **Marga Edens**,
Director Corporate Responsibility
Essent



A *Bio Based Economy* requires large-scale sustainable use of biomass for power generation. Read about Essent's 10 year experience of up-scaling biomass co-firing, while addressing environmental sustainability.

High sustainability ambitions

Essent aims to achieve a climate neutral energy supply by 2050, underlined by signing the Eurelectric CEO Declaration. Within our sustainability strategy, we focus especially on renewable energy through biomass and wind-power. Our ambition for 2020 is a 20% Renewables share. For more than a decade we have concentrated on large-scale substitution of coal by biomass in our power stations and have become a front runner in Europe in that field. We believe that biomass for energy will play an important part in the transition towards a *Bio Based Economy*.

Essent is a member of the Dutch Chapter of the UN Global Compact. We consider it essential that biomass can be sourced sustainably with respect for human rights and the environment. To this end we have developed a certification system for sustainable biomass and believe that with appropriate legislation sustainability can be assured at the increasing scales needed for European renewable energy ambitions.

Essent has pursued an innovative strategy for more than 10 years to enable the transition to large-scale cost-effective and sustainable use of biomass for electricity generation. Our current technological capability allows an average of 35% biomass co-firing. We aim to increase this to 50% in 2015, enough to supply Green Power to 750.000 households. Tests in 2010 have already shown its feasibility.

“European front runner in substituting coal by biomass”

Large-scale biomass co-firing

In our 'Bio-logical' project at the Amer power-station, a biomass discharge quay was built in 2003. The fully automated pneumatic unloading system, silos, enclosed conveyer belt system and modified fuel mills now allow more than 700.000 tons of wood pellets to be co-fired annually.

Innovative biomass gasifier at Amer power station

Originally commissioned in 2001, the innovative wood gasifier delivers cleaned wood gas to the boilers of the Amer power station.

After several years of experiment and optimization, Essent's Production department implemented a redesign in 2007. Now we use 100,000 tonnes of waste wood from the construction industry annually. Gasification is an important technique for the future as it makes the use of low-value fuels possible at higher efficiencies and without concessions in environmental performance.

Bio-coal testing

The application of bio-coal is a promising innovation as it is far easier to burn in existing coal power stations than wood pellets. The heat-treated (torrefied) biomass assumes a number of important properties of coal – high energy content, hydrophobic, easy to grind. In order to test this innovative fuel in our power stations, Essent has signed fuel purchase contracts with two companies that have built industrial scale bio-coal installations.

Development of biomass towards a sustainable commodity

Not only technical achievements are needed for the energy transition. Legislative and market change is also essential to allow

biomass to develop into a competitively priced tradable commodity and ensure adherence to sustainability standards. We are working on a number of fronts to help achieve this aim.

Essent has long believed that her "Green Power" product must have a sustainable origin and not lead to disruption of food production, uncontrolled deforestation or disrespect for human rights. Ten years ago Essent initiated research at the Copernicus Institute (University of Utrecht) into requirements for the sustainable import of biomass.

Recently the wood-pellets used by Essent increasingly include non-residue sources. To assure sustainability in this context we commissioned the Copernicus Institute in 2010 to study carbon balances under various plantation management scenarios. They are assessing the net accumulation of carbon over time and emissions in the supply chain. This includes the effects of productivity increases and to what extent this can mitigate demand pressure that leads to indirect land use change.

Green Gold Label for biomass certification

In cooperation with Control Union Certifications, we initiated the Green Gold Label (GGL) certificate system for sustainable biomass in 2002, now managed by the Green Gold Foundation. GGL offers standards for specific parts of the supply chain, as well as standards for tracking & tracing along the whole supply chain. Verification is carried out by an accredited certification body. GGL also accepts other well-known sustainable forest and agricultural management certificates. The system is designed to be compliant with the EU-standard (Renewable Energy Directive). More than 25 suppliers of biomass have currently been certified. 92% of Essent's imported wood pellets in 2010 were certified under the Green Gold Label. We aim to achieve 100% in 2015.

Development of industry standards for biomass

In cooperation with 6 other major European wood pellet buyers Essent and RWE have developed a trading standard for biomass that includes harmonised sustainability criteria. This industry-led initiative can deliver compliance with evolving regulatory standards and obligations. As these 7 organisations together account for a large part of world trade in wood pellets the International Wood Pellet Buyers initiative is of global importance and aims to become the minimum standard for biomass sustainability.

Biodiversity footprint

The next step that Essent and RWE will take is the development of a methodology to value and manage the essential biodiversity impacts: a company specific biodiversity footprint.

The future lies in the Bio Based Economy

Essent considers biomass so important that we play a leading role in the Netherlands in developing the Bio Based Economy (BBE) in which fossil resources will be replaced by biomass. We see important opportunities to work together with the chemical,

paper and agro industries. Low value residues from their production processes can be used to generate energy. Essent is setting up partnerships with companies which share our ambition to develop sustainable supply chains to realize the BBE transition. We are converting our biomass power plant in Cuijk (25 MW) to a facility where concrete BBE business concepts are developed. A digester and bio-refinery facility are planned. This allows a broader diversity of bio-sources as input. And an increased range of product output, including phosphates and materials used to produce paper and cattle feed.

Biomass innovation is an essential element in the energy transition. This cannot be restricted to technical developments. Markets and systems also need to develop. Only then can biomass become a competitively priced tradable commodity with guaranteed sustainability standards. For the past decade we have worked on innovations in the broadest sense. We have demonstrated the technical feasibility of large-scale co-firing. We introduced effective systems to assure sustainability. In the next decade we will continue our efforts to increase our renewable energy share and take further steps towards a Bio Based Economy. We welcome you to exchange views on the subject and share best practices. For example at one of the conferences we organise or attend.



Essent is a major Dutch energy company with 4.500 employees and a turnover of 6,120 million Euros in 2010. We supply electricity, natural gas, heat and energy services to more than 2 million consumers and business customers in the Netherlands and Belgium. Most of the electricity is generated in our own power stations. These include one of Europe's largest fleets of high efficiency combined heat and power plants, reducing CO₂-emissions substantially. With a Renewables production of 2.1 TWh (2010) we are also the largest generator of renewable energy in the Netherlands. Approximately two thirds of this energy comes from biomass. Essent is part of the international energy company RWE.

www.essent.eu

On a Path to a Renewable Energy Future

by **Renate Lackner-Gass**,
CSR organisation, Human Resources,
EVN



The future clearly belongs to renewable energies. In Lower Austria there are good prerequisites. Hydropower, wind power, biomass and solar power will gain considerably in importance. A look into its power generation portfolio shows that EVN is on the right path in many areas. By 2020 EVN aims to produce three times as much electricity from renewable energy sources as in the year 2010. In this regard, EVN is relying on a flexible production mix of hydropower and thermal power as well as renewable energies, and makes sustainability and securing a reliable energy supply a core aspect of all its strategic decisions. Their objective is to increase the share of renewable energy as a proportion of total electricity production to 50% by the year 2020.

In the coming years EVN will invest up to EUR 800m on the domestic market in renewable energies and thus secure or create about 20,000 jobs.

Wind power

evn naturkraft, a fully-owned subsidiary of EVN, now operates nine wind farms with 80 wind turbines in order to generate electricity from wind power. These facilities already produce 257 MW of electricity and thus cover the electricity requirements of approximately 165,000 households.

At present EVN is building a new wind farm in Glinzendorf together with Wien Energie. It is designed to produce environmentally-friendly eco-electricity for about 12,500 households. Nine wind turbines with a total capacity of 18 MW are planned. Total investments amount to some EUR 27m. The wind farm is scheduled to be put into operation in the fall of

2012. About 28,000 tons of CO₂ will be saved each year by this wind farm alone.

Wind power plans help to avoid a diverse range of greenhouse gas emissions, conserve natural resources, add impetus to regional development and thus create new jobs in the region.

The excellent wind potential, especially in the Lower Austrian Weinviertel area, is comparable to locations close to the North German coast i.e. the famous "offshore wind farms." EVN is

making a considerable effort to exploit this wind potential in harmony with people and the environment.

Hydropower

In addition to five storage power plants on the Kamp and Erlauf rivers, evn naturkraft also operates a total of 66 small hydropower plants (run-of-river). EVN's small-scale hydropower stations alone generate some 130 million kilowatt hours of electrical energy each year, corresponding to the electricity needs of approximately 37,000 Lower Austrian households. Thus even the small hydro-

power plants make an important contribution to climate protection and securing a reliable energy supply in the region.

With the start of the small-scale Schütt hydropower facility in the spring of 2011, evn naturkraft has achieved its target of revitalizing all its power plants along the Ybbs. Numerous sections of Lower Austrian rivers are being analyzed for use in connection with potential construction of new small-scale power plants. The greatest advances in planning have been made on possible new Ybbs power stations.

In case of further expansion of generation from wind and sun-

“By 2020 EVN aims to produce three times as much electricity from renewable energy sources as in the year 2010”

power EVN has to plan several plants in Lower Austria and beyond the borders of the federal province. Pumped storage hydropower plants will play an important role in the future. These facilities can serve as "batteries" capable of storing excess wind or solar energy and making it available during times of peak consumption.

At present, EVN is evaluating individual locations and developing several projects. At the same time, the utility company is also looking into the expansion of pumped storage operations at existing storage power plants on the Kamp and Erlauf rivers.

Biomass

In the meantime, EVN operates 55 biomass facilities throughout Lower Austria in cooperation with partners from the agricultural sector and the wood industry. Close to two-thirds of the municipal district heat supplied by EVN is generated from biomass. EVN is the largest provider of natural heat from biomass in Austria, using approximately 1.5 million m³ of wood chips.

The heating plants are operated within the framework of partnerships with district heating associations or farmers in the region. They are responsible for coordinating fuel logistics and managing the local heating plants. This cooperation enables EVN to create and secure jobs and also contributes to the regional value added.

Biomass is a well-suited energy source, especially in rural areas such as Lower Austria. The combustion of biomass only releases as much CO₂ into the air as the plants absorbed from the air during their period of growth. For this reason, biomass can be considered to be CO₂-neutral. Accordingly, the use of biomass is being intensively developed and continually expanded.

Taking the limited potentially supply of wood into consideration, straw and waste heat are being increasingly used. A biomass pyrolysis facility is currently being tested at the Dürnröhr site. In the future it should provide biological raw gas from straw as a substitute fuel for the thermal power station in Dürnröhr.

Solar energy

In Zwentendorf solar modules produced by various manufacturers with a total output of 214 kWp (kilowatt peak) and a usable output of 190 kW have been installed on the roof of the former atomic power station, the side walls and outside on the grounds.

The Photovoltaic Research Centre Zwentendorf founded by EVN in cooperation with the Vienna University of Technology has also been successfully operated at this historic place since 2010.

At the site of the atomic power plant which was never put into operation, normal commercially available photovoltaic modules, solar tracking systems, solar inverters and auxiliary equipment are being tested and evaluated for their efficiency, practicality, investment and operating costs under real environmental conditions.

One objective is to gather experience as to which panels are optimally suited for house and garage roofs. Decentralised facilities will play a significant role as power plants of the future. EVN also wants to provide the base for its customers to become electricity producers themselves. The solar power plant on the roof of the house or garage actively contributes to climate protection. Whoever has a suitable area at his disposal finds EVN to be the right partner to carry out such a project. In this case EVN offers a comprehensive range of services (planning, financing or building) for photovoltaic facilities which are well received by customers.

Saving energy

There is no doubt that in addition to expanding the use of renewable energies, saving energy and using it efficiently, will be one of the most important goals for the future. All potential energy savings must be resolutely exploited and energy consumption reduced by everyone.

EVN supports its customers with technical innovations. With the EVN SmartHome heating can be conveniently controlled via Internet and mobile phone applications. Starting now, the temperature in every room can be individually adjusted when the person is away from home, whether on holiday, shopping or at work.

The mobile heating and house control system is not only an easy way to modernise the home, but also cuts heating costs by up to 20%. The EVN SmartHome ensures that only the energy which is really needed is actually consumed. Thus EVN offers its customers a new possibility to take individual responsibility for ensuring cost-saving energy efficiency in their own households.

EVN EVN is a leading, international and publicly listed energy and environmental services company that offers

electricity, gas, heat, water, waste incineration and related services and supplies these services to more than one million customers on the base of a state-of-the-art infrastructure and an extensive expertise in the planning and construction of water supply, wastewater treatment, desalination and waste incineration plants.

Starting from its domestic market in Lower Austria, EVN has been pursuing a dynamic and continually well conceived expansion strategy, supplying some 14 million customers through more than 90 successful projects implemented in Central, Eastern and South Eastern Europe in the past 20 years.

www.evn.at

Continuing Story: School Project for Energy Efficiency

by **Iskra Tikvarovska**,
Marketing Specialist and CSR Officer,
EVN Macedonia and **Viktor Mircevski**, Konekt

The initial idea

More than five years ago, when the school project of EVN Macedonia was just an idea, no one was aware of the level of changes and national impact it will achieve. Guided by one of the company's key priorities and commitments: energy efficiency, the idea for starting of educational project for raising awareness was initiated by EVN Macedonia's employees. To further develop the concept and ensure its proper implementation the company recognized the need for partnering with the civil society sector. The EVN Macedonia's school project is coordinated by the Association Konekt. The teams of educators come from four NGOs: Macedonian Center for Energy Efficiency (MACEF) from Skopje, Youth Council from Ohrid, Harvest of knowledge from Prilep and Planetum from Strumica. This ensures nationwide coverage. The project proves that by combining the resources and aims of the company, as well as the expertise and community connections of the civil society sector, significant social positive influence can be achieved. The project team is dedicated to its continuous development and implementation since 2007.

Continuing story

The project communicates with the youngest members of the society educating them about reasonable and cautious use of electrical energy. This contributes to the building of the next generation of consumers that takes care of the environment and proper usage of resources. Within the past four years workshops for children aged 9-10 were held in primary schools in the country. The curriculum is constantly developed and revised. In this regard, pupils'

opinions are seriously taken into consideration. Accordingly, changes were made in the project's content and materials to better meet the pupils' needs and attract their interest. Additional activities such as art contest were organized, along with regular quizzes in which gradually all schools were represented. Equal coverage of schools in rural and urban areas and involvement of pupils from various ethnic groups was ensured. The project promotes inclusiveness among every child and pupil in our community. Children with disabilities that do not visit regular school are involved as well. They are engaged in scanning of poems and drawings that were uploaded on the project's web site (www.kids.evn.com.mk). This was implemented in partnership with the NGO Open the windows that promotes use of accessible IT for people with disabilities. EVN Macedonia employees are continuously involved in the project activities; they participate at the workshops, quizzes etc.

In the past four years of project implementation, 320 schools in all municipalities in Macedonia were visited. 1.530 workshops were delivered involving 34.588 students.

Through the project, students learn about the sources and types of energy and their safe and responsible usage. They become aware of the risks of electricity and know how to deal with them. They understand the imperative of saving and know how to do it. Using creative and interactive ways of teaching establishes the fundamentals for building the long - lasting values. The pupils become knowledge disseminators in their homes and their neighbourhoods.

“Isn't the light from the TV enough for you? Do you know that the more electricity we spend the more we endanger our environment?”
Jana, 9 years old”

Sustainability

Striving for better results, for designing new and improved ways of teaching, every year the project is upgraded and improved. Thinking about the sustainability, the new concept of School Clubs was created. During 2011/2012, energy efficiency school clubs in 15 schools from 5 different municipalities in Macedonia were established. Supported by EVN Macedonia mentors, Municipality energy efficiency managers and NGOs, the school clubs will have to complete a challenge: to decrease the energy spending of their schools and their neighbourhoods. Facing this challenge students create and implement various innovative campaigns followed by continuous measurements of electricity and water spending.

Having fun while learning

The educators ensure that the curriculum offers adequate teaching material because they often hear the students' statement: "It is never boring in these classes". From specially designed pictures, posters and games, to regular quizzes between the schools. All of this is part of the usual routine in line with the workshops and the school clubs activities. The purpose is to assure solid knowledge by using superior didactic methods that involve fun, visual techniques and practical experiences. The activities encourage team spirit as well as individuality.

Students are thrilled when during quizzes they have the opportunity to show their knowledge and to be awarded for that. The winner schools visit the historical hydropower plant Matka and Customer Relations Centre of EVN Macedonia. On this occasions they learn about the process of electrical energy production and they have the opportunity to solve the problems of EVN's customers. The art contest is a great encouragement for young artists to send drawings and literary poems. For expressing their creativity and managing to capture their energy efficiency message and environmental protection authors of best drawings and poems receive appropriate awards, as real artists do. The "Turn on when entering, Turn off when leaving" slogan is easy to remember for young people. They are also provided with a school schedule and pen in the form of a light bulb and other school requisites for them to be reminded every day how important it is to save electricity and take care of the environment. Children put energy efficiency etiquettes in their schools and homes and they insist on using energy efficient light bulbs.

Changing habits - Real life examples

It is 10 PM. Husband Tony and his wife Marija, relax after the busy working day by watching TV. Carried away by the movie they do not notice that their 9- year old daughter Jana quietly sneaks out of her room and comes closer to the light switch. Reaching on her toes, Jana switches off the light in the living room. The little girls' response to the puzzled and surprised faces of her parents (the only light on their faces now coming from the TV screen) is: "Isn't the light from the TV enough for you? Do you know that the more electricity we spend the more we endanger our environment?" How come that a little girl has so mature thoughts and

opinions? That is not odd at all because Jana is one of the many kids that have been learning about energy efficiency within the EVN Macedonia's school project. The NGOs that implement the project are frequently recalling that in one school, two or three weeks after the lesson, a parent came to ask what was his child being taught, since every day back home the child would turn off the water heater. The child told them that the boiler should be turned on only before taking a bath and not the entire day¹. The examples show the positive impact of the project that successfully changes habits that are not in line with its aim for the proper and responsible use of electric energy. Armed with knowledge for energy efficiency gained through practical exercises and specially designed games, the pupils are real guardians of their households. More importantly, they pass on the newly gained habits to their wider community.

Awards

This project is nationally recognized and awarded for its impact representing an excellent CSR example. EVN Macedonia, in 2008 received the National CSR Award in the category Community Investment for large companies for the School Project. In 2012 the project was awarded the National Energy Globe Award.

¹ "The Road to Effective Community Support: Corporate Philanthropy Guide", Konekt, 2010, pp. 52-53, <http://www.konekt.org.mk/web/en/philanthropy/corporate-philanthropy/guide.html>

EVN
macedonia

EVN Macedonia AD is the electricity supply, distribution and production company of Macedonia.

On the basis of a state-of-the-art infrastructure, EVN offers our customers besides electricity supply also related services. The company's main objective is to fulfil the expectations and needs of customers to improve the quality of their lives. Competitive products, modern infrastructure as well as a flexible and a high performance organization will ensure EVN Macedonia's position also in the upcoming market opening. Besides investments in the overall infrastructure and its employees for a reliable and uninterrupted power supply, EVN is offering all its customers in Macedonia electricity at fair prices.

EVN Macedonia AD is jointly owned by the Republic of Macedonia 10% and EVN AG 90%, an energy and environmental service company in Austria.

www.evn.com.mk

FCC Construcción's Commitment to Climate Change

by **Antonio Burgueño Muñoz**,
Quality and Training Director
and **Lucía Monforte Guillot**,
Environment Department,
FCC Construcción

As a well-known physicist once said "intelligence is the ability to adapt to change". Since climate change is one of the most important challenges of our present Society, being able to adapt to it has become a clear necessity, which needs innovative solutions and projects.

Even though Greenhouse Gases (from now on, GHG) emissions are not very significant quantitatively in the construction sector, we are aware that climate change is an environmental problem

with an obvious impact at global scale and, as a responsible company, FCC Construcción wants "to do his bit" in this key issue and help to fight against global warming. Keeping in line with our environmental policy and strategy, and consolidating our environmental objective of implementing a set of Good Environmental Practices at all our worksites, FCC Construcción has designed, developed, implemented and verified a **GHG measurement protocol**.

Understanding how to reduce carbon emissions from the built environment is crucial if we want to bring about significant changes in the way that buildings and civil engineering works are designed, built, renovated and managed. But it is more complicated than it might seem at first sight. In order to be able to set reduction objectives and identify improvement opportunities, the first step has to be the understanding of our business current situation, and the accurate quantification of the GHG emissions released by construction activities.

Taking these premises into account, the protocol has been designed based on accepted international standards (Standard ISO 14061-1:2006 and GHG Protocol) and on the ENCORD Construc-

tion CO₂ measurement Protocol, the sector guidelines for construction companies.

The development of the initiative implied initially an adaptation of the company's software applications in order to improve the acquisition of activity data, its quantification and its statistical treatment. It has also meant an important communication campaign with the aim of spreading the new requirements to all concerned parties and an active participation of all the centres

(over 400 construction sites and premises), which have consequently increase its awareness towards climate change.

In the process of defining the GHG inventory, FCC Construcción has set organisational and operational boundaries, it has identified the GHG sources of emissions, and has defined the calculating approach; even more it has calculated the GHG emissions. With the activity data, which are registered and quantified for each identified GHG source at all the construction sites and premises, and the emission factors, which are compiled at corporate level from official sources or site experiences, FCC Construcción calculates the GHG

emissions with a software application that enables the company to create GHG emissions reports at different levels: selecting by type of project, by geographical distribution or by dates.

The company also calculates and reports its avoided GHG emissions, which are those emissions that are not produced (i.e. they are avoided) by using non-emitting technologies, by implementing good environmental practices or by capturing and sequestering emissions from an emitting source. Avoided emissions are calculated from a baseline that quantifies what the GHG emis-

“ *The design, implementation and verification of a GHG measurement protocol is an achieved challenge which demonstrates our commitment to environment* ”

sions would have meant if the environmental good practices had not been implemented on the construction sites.

Other tasks which have been undertaken at the implementation of the GHG measurement protocol at FCC Construcción are: the selection of a base year; the definition of a methodology for recalculating base year emissions, if necessary; the definition of the responsibilities and duties on the process of data compilation and transmission; the training of all people involved in the process, the use of FCC Construcción's methodology for withholding documents and maintaining registers; the implementation of an inventory quality management system; the writing of a Basic Guide for GHG measurement in the construction sector and the revision of some procedures of the Sustainability Management System.

After having implemented the GHG measurement Protocol, FCC Construcción issued last May 2011 its first GHG emissions report with the total direct emissions (scope 1), electricity indirect emissions (scope 2), other indirect emissions (scope 3) and reductions in GHG emissions ("avoided emissions") of the construction sites and premises located in Spain. Said GHG emissions report was verified by AENOR, an official external verifier, turning FCC Construcción into the first company of the construction sector that has obtained this recognition in Spain.

The challenge of climate change is relatively new in the construction sector, but in only two years, FCC Construcción has accomplished the environmental goals it had set itself in this regard. We have implemented a GHG measurement protocol based on internationally accepted guidelines and standards, we have defined a methodology and trained the appropriate staff in each workcentre according to this methodology, we have modified the company's software applications and we have become the first Spanish construction company to verify its GHG emissions report by an accredited third-body.

We have achieved our objectives, which were not established as consequence of legal obligations or market regulations, but due to voluntary initiative and, in such way, we are able to face the future with confidence.

The initiative of FCC Construcción is, ultimately, a pioneering initiative in the construction sector, which provides an answer to an environmental issue of major concern for today's Society. The transparency in the process of communication with the stakeholders, the gathering and processing of data, or the internal awareness-raising make this initiative highly recommendable. All construction companies have the possibility - and probably in the future also the necessity - of taking this first step on the track that FCC Construcción has already begin to go. We believe that this action shows our commitment, our assumption of responsibility towards environment and Society and the results obtained strengthens our position: we must continue working; it is more than our commitment, our conviction.

It is important to highlight that, unlike other manufacturing sectors which are able to establish a more ambitious GHG emissions reduction plan, the construction sector is based on a huge variety

of contracts models which do not normally allow construction companies to influence on the design and specifications of the future building or civil engineering work. However, in this sector, which does not produce a high amount of GHG emissions -but is distinguished by its long sub-contractor chain- is especially important to sensitize the implied parties, to establish calculation tools and to show examples of Good Practices.

The only fact of starting such an initiative helps our own personnel involved in the process to take conscious of the global problem we are facing and to become aware of what we can do and why it is important. The subcontractors, our clients, and other stakeholders, can see this is an important issue for FCC, and their performances become more responsible. When the initiative is, after all the work done, a success, as it has been, a great job, not only in GHG emissions control, but also in sensitiveness has been done.

This initiative was awarded by the organization "Fundación Entorno", in March 2012 with a prize in the Spanish division of the prestigious European Environment Awards.



FCC Construcción is the construction company of the FCC Citizen Services Group, a pacesetter in the Spanish construction and service market.

Boasting a long career with more than a hundred years' accumulated experience, FCC Construcción, which brings in more than 55% of the FCC Group's total business, has become consolidated as Spain's largest construction company.

Its business activities cover every field of construction, from civil engineering works (roads, railroads, airports, dams, marine construction, etc.) to buildings (residential and non-residential), both on the Spanish domestic market as well as internationally, having stable presence in various countries of North, Central and South America, Europe, Asia and Africa.

The company top-priority objectives are customer satisfaction and commitment to sustainability.

www.fcco.es

Fjällräven Kajka - Climate Conscious Backpack

by **Henrik Andersson**,
Product Manager Hardware,
Fjällräven

Compensating was only the start

Since 2010 Fjällräven climate compensates for the production of all Kajka backpacks. But we believe this is not enough, in an action to reduce our footprint while making our products better we are using the findings from a life cycle analysis to replace the parts with the highest carbon footprint.

Launch in 2008

Fjällrävens large trekking backpack Kajka was launched in 2008 and quickly became the favourite backpack of mountain trekkers. With its smart functions, large capacity and easily adjustable carrying system to suit varying body types, it has been acclaimed by trekkers all over the world and praised in the media. One year after launch, Kajka was named Outdoor Product of the Year in Sweden's leading outdoor magazine Utemagasinet in 2009. Since then the good feedback has continued and Kajka was named Best in Test in the Finnish outdoor magazine Retkis' big backpack test in 2011 and it received a fantastic second place in the German magazine Outdoors when readers voted for their favourite products in Gear of the Year, 2011.

A contrast to the backpack market

We believe that a product in order to be more sustainable must not only be able to endure a lot of use and even abuse, it must also create a connection to the owner that does not fade with time and changing trends, but rather becomes stronger. In the Fjällräven product range we have several products that were launched several decades ago, that are still used and actually are

still gaining popularity. Of those products, the ones we like the most are the ones that people seem to like more and more the more they have used them. One such item is the Kånken daypack, a simple, functional and timeless product launch in 1978. Today we constantly see old Kånken backpacks on the street and in the woods, many having been used for 20-30 years. Inspired by this classic product, Kajka was designed as a modern and highly functional backpack with the simplicity and timeless functionality of

Kånken in mind.

By the time of launch the timeless look of Kajka was a contrast to most trekking packs on the market. Many customers appreciated the idea of buying a backpack that would not be out of fashion in a few seasons but rather feel like a product that could age with pride.

Climate compensation

We were of course happy with the great result of this launch but we wanted to put even more emphasis on lowering the environmental footprint of the backpacks.

In 2009 we decided to compensate for the greenhouse gas emissions in the whole production of Kajka and therefore completed a full LCA (Life Cycle Analysis). The LCA showed us the environmental impact on all parts of the making of a Kajka backpack, from the sourcing of raw materials to production of weaves, assembly in factory and shipping to our warehouse. Since 2010 we climate compensate all Kajka backpacks through alternative energy projects certified with the Gold Standard, an independent grading standard for carbon dioxide-reducing projects that is supported by more than 60 volunteer organisations, including Greenpeace International and WWF In-

“*The analysis shows that changing aluminum to wood, reduces the carbon footprint of the frames with over 90%*”

ternational. For Fjällräven this certification means that we can be sure that our projects benefit the environment as they are intended.



Learning from the LCA

The immediate goal with making a LCA was to be able to compensate for emissions in the production of Kajka. But for the development department at Fjällräven it also provided great input on where the environmental impact was the highest on the backpack and therefore, where we could decrease the footprint. Looking into the figures in the LCA we could clearly see that the single parts with the highest emissions were the aluminum frames that support the backpack.

Finding an alternative to aluminum

In 2010, after we learnt the high environmental impact of the aluminum frames, we started a project trying to find an alternative frame solution. Aluminium is a non-renewable material that requires an enormous amount of energy to produce. We had a vision of using wood, which if successful could drastically reduce the environmental impact. A research project that we carried out in collaboration with the University in Östersund showed us that wood could be a functional alternative for aluminum. After testing hundreds of frames in different qualities of wood and with different dimensions, in both laboratories and in the field, we found that this idea also worked in practice.

Produced in Sweden

We have worked closely together with a Swedish manufacturer in producing the new frames for Kajka. Together with the factory, which mainly produces furniture, we have developed the new frames that not only decrease the environmental impact but also actually decrease the weight on some Kajka sizes. The frames are produced in Sweden from FSC certified Finnish birch. FSC is an independent NGO established to promote the responsible management of the world's forests. Wood certified by FSC is strictly controlled to meet ecological, as well as social and cultural criteria. The wood is laminated layer upon layer with a water-resistant, environmentally-friendly glue. While new in the backpack business, this technique has been traditionally used to produce for example furniture, skateboards and bandy clubs.

Wood vs. Aluminum

The analysis shows that changing aluminum to wood, reduces the carbon footprint of the frames with over 90%. The overall carbon footprint of Kajka is thus reduced 10%. At the same time, the people in our test team appreciated the living feel in the material, a property which they had not experienced with the metal frame.

Relaunch in 2013

In spring 2013 Fjällräven is relaunching the Kajka backpacks. All packs will include the newly developed wooden frame and will also feature several additional updates. This is an important reason for us to keep our products in the range for many years. We always strive for perfection in the products that we launch but of course we can constantly learn and improve our products. Most customers may not take notice of the adjustments we have made on Kajka but it makes the product as a whole even better than before. For increased function we have made the top lid of the pack larger, making the lid cover more of the backpack content, even when the pack is filled to the brim. To avoid claims and make repairs easier we have adjusted the way elastic cords are mounted to the backpack pockets. While sewn into the seams before, they are now mounted with a simple knot, making repair so simple you can do it yourself in case a cord should be worn out.

Continuing process

The process of analysing, compensating and enhancing the Kajka backpacks has made a good product better, with a lower environmental footprint. We have learnt a lot through the process and we are still learning about the background and processes of our products. The more we let this knowledge affect our work all the way from the drawing board to the final product in the warehouse, the better we get at making our products better, and more sustainable. We are excited to continue on this journey.



For more than 50 years we at Fjällräven have developed equipment that makes it easier to enjoy nature.

From a small cellar in our home town Örnsköldsvik in Northern Sweden we have now expanded to all corners of the world. But our proud tradition remains the same. We continue to develop durable, functional and timeless equipment, acting responsible towards humans, animals and nature and finally we do our best to develop and maintain the interest in outdoor life. We consider this to be our way of contributing to a good standard of living for ourselves and for all other living creatures. For the simple reason that we love outdoors ourselves.

www.fjallraven.com

Ecological Sustainability at Gebrüder Weiss

by **Wolfram Senger-Weiss**,
CFO,
Gebrüder Weiss

Sustainability is a core value at Gebrüder Weiss. This is clearly demonstrated in numerous projects.

Ecology is not a fad – it is a reality that companies must embrace. Firstly, because an environment worth living in can only be preserved by saving natural resources. Secondly, because ecological know-how is quickly turned into an important competitive advantage – in particular, in energy-intensive sectors such as transport and logistics. Gebrüder Weiss recognised this a long time ago and today is regarded as a pioneer in the area of ecology and sustainability, as demonstrated in numerous outstanding projects.

“A basic precondition for sustainable development is the firm belief that success is not something to be strived for only in the short term, but to look ahead with courage, confidence and a sense of responsibility, implement necessary changes and be innovative – without giving up established products,” says Board Member Wolfram Senger-Weiss. “It is important that we take all three pillars of sustainability – ecologic, economic and social – equally into account.” Green Logistics is not a slogan for international transport and logistics companies, but rather an approach to increasing efficiency and conserving resources by implementing numerous measures in the area of transport and infrastructure.

“A precondition for sustainable development is the belief that success comes from looking ahead with courage, confidence and a sense of responsibility”

Truck fleet

The investment policy of Gebrüder Weiss only permits the acquisition of trucks of the highest EuroClass. 78% of the truck fleet already have the EuroClass V or higher. Since 2011, a gas-powered Heavy Goods Vehicle (HGV) with dual-fuel drive has been in use. This truck has 68% lower CO₂ emissions as well as a 67% NOX reduction. Our own service stations are supplied with the special fuel FED (Fuel Efficiency Diesel), which has shown to reduce fuel consumption by 3%. This results in an annual saving of 795 tonnes of CO₂. In addition to the technology, the human factor is also taken into account with regard to fuel consumption; 85% of truck drivers at Gebrüder Weiss have already received trainings in fuel saving.

Products

As part of its product portfolio, Gebrüder Weiss is constantly searching for solutions to reduce its impact on the environment and conserve resources. Since

2008, the Orange Combi Cargo (OCC) has been in use; this is a block train, which operates daily between Vorarlberg and Vienna. This 600-metre-long freight train saves 66 truck journeys daily – this corresponds to a CO₂ reduction of 9,000 tonnes per year. Carbon optimisation also takes place through platform logistics. An efficient and responsive control of regular traffic between GW sites optimises the routes and increases the workload for traffic carriers, which in turn minimises the number of necessary journeys.

Infrastructure

In 2011, Gebrüder Weiss commissioned the first climate-neutral logistics hall in Austria at its Wörgl site. The project was supported by ClimatePartner, and CO₂ emissions in construction and operation were avoided or reduced as far as possible. Unavoidable greenhouse gases were neutralised via certified climate protection projects. In Dornbirn, an office building complying with the latest energy standards was rented. The building was awarded the ÖGNI certificate in gold for its ecological construction. For the past 25 years at GW sites, geothermal energy has been used for heating and groundwater for cooling wherever possible. When acquiring or renting new buildings, only those are considered that have at least a category B energy performance certificate. In the area of waste management, Gebrüder Weiss works together with a waste management service provider. As part of its service, this company prepares a suitable waste management concept, aimed at maximising waste recycling, for each of our sites. At computer workstations, Gebrüder Weiss uses mainly thin clients, which provide an energy saving of 50% compared to conventional PCs. This measure reduces Group wide carbon emissions by 190 tonnes annually.



Renewable energy

The importance of renewable energy production has dramatically increased in the last decade. Based on the political commitment to the two-degree target, governments should implement appropriate measures and industry should also make a contribution. In 2011, Gebrüder Weiss decided to acquire a wind farm. Four Enercon E-82 wind turbines with a rated capacity of 2 MW produce over 20 GWh of renewable energy annually. Production is thus above the Group power requirements of 15 GWh. This saves 12,000 tonnes of CO₂ annually. Solar power is also used: Gebrüder Weiss operates a solar power plant at their Memmingen site in Germany. In 2007, an area of 1,000 square metres was commissioned, which produces 134 MWh of green electricity annually. With the ex-

tension of the warehouse facility in 2011, an additional 460 square metres of solar panels were installed, which has increased the annual electricity production at the Memmingen site by 71 MWh. GW is presently considering the possibility of installing solar power plants at other sites.



CO₂ calculator

In order to evaluate the success of the measures implemented, Gebrüder Weiss is using a special CO₂ calculator (EcotransIT) across the Group. This software solution assists the calculation of pollutant emissions at shipment level. This makes it possible to provide a summary for each customer and at Group level. It was important to GW that not only average values were taken into account, but also existing actual values. The actual values will replace the average calculations to an increasing degree.

Gebrüder Weiss 
Transport und Logistik

With over 4,650 employees, 158 company-owned locations and an annual turnover of over one billion euro in 2011, Gebrüder Weiss ranks among the leading transport and logistics companies in Europe. In addition to its core business of overland transport, air & sea freight and logistics, the company also operates a number of highly specialized industry solutions and subsidiaries under the umbrella of Gebrüder Weiss Holding AG. This bundling of services allows the Group to respond to customer needs quickly and flexibly. Having implemented a variety of ecological, economic and social initiatives, the company, which is still family-owned and has a history going back 500 years, is considered a pioneer in terms of sustainable business.

www.gw-world.com

The Green Building Workshop of the Generali Group

by **Tina Paillet**,
Head of Generali Immobiliare Asset Management,
Generali Group



Sustainability is a topic of concern at the heart of Generali Group, with the conviction that competitiveness must to all intents and purposes accompany not only ethical sensitivity, but also social and environmental initiatives in recent years.

Since June 2010, the Generali Group, through its corporate real estate arm, Generali Real Estate, has launched an international workshop "Green Building Workshop" bringing together key players in the real estate group, to define and implement a set of Green Building Guidelines.

“Ensuring the respect of a high standard in regards to the environmental aspects of the Group's property portfolio”

The Green Building Guidelines: Policy

The Generali Group "Green Building Guidelines" (GBG) aim to improve the performance of our buildings while reducing their environmental impact, thus creating "green value" for our real estate. This initiative also targets to anticipate future regulations in order to limit the future obsolescence of our buildings where ever possible, as well as to leverage our green initiatives in order to remove perceived barriers and cement positive relationships between landlord, occupier and managing agent.

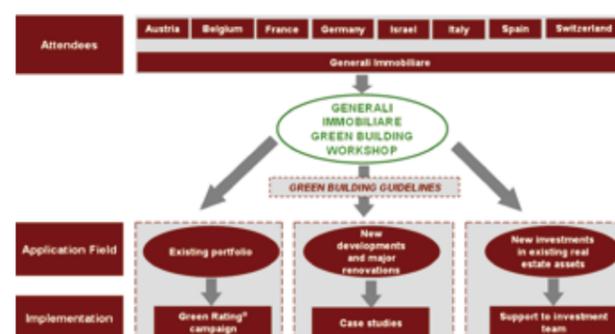
"Sustainability is not a fashion, but an obligation"

We have therefore strived to ensure that the GBG are on the leading edge and go beyond current environmental and sustainable legislation.

In order to best focus the efforts of the group where we can bring the most value, the scope of the workshop has been broken down into 3 real estate fields of application: buildings in the existing portfolio, new developments or major renovations and new investments to be made in existing buildings.

All 3 real estate categories aim for specific performance for the following parameters:

- Energy: assessment of the efficiency of equipment and final energy consumption, use of renewable energy;
- Water: using water-saving equipment, assessment of water consumption
- Transport: site location relative to public transport, development of soft modes (bicycles, car pooling, shuttle buses)
- Wellbeing: assessment of hydrothermal comfort, visual comfort, olfactory comfort, acoustic comfort, ensure the sanitary quality of spaces, air and water



The Green Building Guidelines endeavour to set the common goals and targets for all countries within the group with a view to ensuring the respect of a high standard in regards to the environmental aspects of the group's property portfolio. This tool, along with the constant interaction and follow-up of actions by the workshop members, will act as a guiding principle for the future evolution of the property portfolio.

- Waste: assessment of the environmental impact of materials used (waste recovery) in construction and for existing buildings, assessment of a building's capacity for waste sorting and related operational practices
- Building materials: use of "green" recycled, reusable or renewable materials, and materials showing a balanced carbon footprint (life cycle costing), lumber from forests certified to be sustainably managed
- Carbon Footprint: assessment of carbon emissions produced by the building

The First Pilot Project of the Green Building Guidelines

The Existing Real Estate Portfolio

The first phase of the Green Building Workshop has focused on the existing portfolio which represents a major stake of Generali's real estate assets: 17 billion euro portfolio of direct investment. Within this portfolio, the current guidelines will concentrate on office buildings which represent 72% of the group portfolio (12.4 billion euro).

The impetus for focusing on the existing portfolio stems from the profound desire of the workshop members to make a difference on a global scale. Indeed, although it may be more gratifying and communication savvy to focus on a few shiny, new green buildings, we feel it is of utmost importance to ensure that the existing stock of the group's real estate is pragmatically "greened" and the impact on the environment is proportional to the scale of this portfolio. Likewise, to ensure long term sustainable value for the group's property portfolio, the guidelines aim to avoid obsolescence of the group's buildings and to identify low performing buildings which can not be upgraded so that the proper divestment strategies can be carried out.

The Green Rating Pilot Project

To accomplish these objectives, the GBW has carried out a pilot project, during the 4th Quarter of 2010, using a common measurement tool, the Green Rating. This tool measures and assesses the performance of each building according to various environmental criteria: energy, water, carbon, waste, wellbeing, and transport and compares it to a panel of existing buildings. As of December 2010, this sample consisted of over 300 buildings, representing approximately 4M sqm located in 60 cities within 12 European countries.

This initial analysis was carried out during the 4th quarter of 2010 on a sample of 3 assets per country (Austria, Belgium, France, Germany, Italy, Spain and Switzerland) for a total of 21 buildings. One asset per country was either partly or wholly owner occupied.

The performance results of this sample portfolio were measured in actual performance based on the actual operational usage of the building by the occupants and actual consumption.

The performance results of this sample portfolio were also measured in intrinsic performance, which is based on the existing building design, equipment and installations, and the definition and implementation of a conventional scenario of real estate use. The Green rating reports for each building have provided a series

of concrete recommendations, costs and payback periods which will be carried out by the Green Building Workshop members and their local teams. A new assessment has to be done to evaluate progress.

Additional targets for existing buildings

Additionally to implementing the Green Rating recommendations, the Green Building Workshop has also set the following targets for this sample set of buildings:

- Setting goals for energy reduction on a fixed set of buildings: 5% reduction of energy consumption
- Systematically propose a "green appendix" to our leases upon renewal, in order to establish a contractual incentive with our tenants
- Set up "Green Groups" at all assets and establish periodic meeting with our tenants to involve them on responsible building occupation/operations
- Provide a tenant sustainability guide
- Install sub-metering to determine the consumption of our tenants and to detect any abnormalities

Other Initiatives of the Green Building Guidelines

The Green Building Workshop members are also actively working on implementing actions in the other two real estate categories which will be developed further during the second phase of the workshop:

- New developments and major renovations are being brought to the cross border workshop team for review and input. Pilot projects are being selected for each country
- New investments in existing real estate assets are being reviewed systematically by the in-country investment teams with environmental aspects becoming a non-negotiable criterion within all due diligence processes. The workshop members will support the investment teams and propose appropriate environmental measurements and targets for these buildings.



The Generali Group is one of the most significant players in the global insurance and financial products market. Established in Trieste in 1831, today the Group is one of Europe's largest insurance providers and the biggest European Life insurer, with 2011 total premium income of more than euro 69 billion. It is also one of the world's top asset managers with assets totalling more than euro 460 billion, and a unique real estate operator with a property portfolio of more than euro 25 billion. With 82,000 employees worldwide and 65 million clients in more than 60 countries, the Group occupies a leadership position in Western European markets and an increasingly important place in Eastern Europe and Asia.

www.generali.com

i.lab: Italcementi's Heart of Innovation and Sustainability

by **Enrico Borgarello**,
R&D and Innovation Director,
Italcementi Group

Innovation applied to the continued search for sustainable architectural solutions is Italcementi's strategic lever to create its own competitive advantage, whilst contributing to improving the quality of life and the environment. The construction market is increasingly oriented towards advanced solutions, which are sustainable, and of highest levels of quality. In this context, Italcementi aims to become a cutting-edge cement-manufacturing group capable of transforming a commodity into a technologically advanced product at the service of the building community.

Innovation in processes and products, but above all in ideas: this is what allows Italcementi to face new markets with new proposals, new services and new eco-sustainable solutions for the construction industry.

i.lab, Italcementi's new Research and Innovation Centre designed by the American architect Richard Meier, is tangible evidence of this strategic vision. Built in line with the Group's concept of innovation, sustainability and architectural excellence, i.lab is the synthesis of this trail blazing technology in terms of quality of materials and green construction technologies, a place of knowledge and scientific know-how. About 170 people including chemists, geologists and engineers are engaged in Italcementi Group's Research & Innovation activities in Italy and in France. An annual budget of approximately 13 million euro is destined to Research & Development activities, which represents – compared to the total turnover – one of the highest values in the construction sector. The Group filed 92 patent application families since 1992. The Group's current innovation rate – that is the ratio of revenues generated by innovation projects to total sales – is equal to 4 while it was 3.9 in 2010, so gradually increasing as planned. The target is to reach an innovation rate equal to 5 and maintain it in the medium to long term.

THE i.lab

i.lab is an engine of growth and competitiveness, a place dedicated

to research and the transfer of technology in the building materials sector, where cement is the element that generates sustainable architecture and smart buildings. Not simply a commodity, but a versatile material that accompanies mankind throughout the history of construction.

i.lab's activity is geared around five main strategic axes:

- New clinker, cements or binders alternative to Ordinary Portland Cement. In particular, research will focus on the use of renewable and reusable raw materials and the development of specialty admixtures and special additions for concrete.
- Unconventional products, such as TX Active, i.light and others, able to provide added technological and functional value to traditional products.
- Special concretes, repair and structural strengthening mortars.
- Technical solutions aimed at reducing the CO₂ impact within the construction materials industry.
- Networking with international architects and project designers aimed at defining and disseminating a culture of construction that is mindful of new materials, the environment and the people.

A fundamental element to success is the network of scientific cooperation in Italy and abroad that includes research centres, universities, architects, engineers, designers and businesses from the building community. Such a shared effort is focused on reducing time-to-market in terms of industrialisation and marketing of new products, services and processes. This approach integrates perfectly with the positioning of i.lab at the Kilometro Rosso Scientific Park where multidisciplinary methodology provides key support to research and development activities.

Sustainable construction

i.lab will be a benchmark for sustainable design in Europe. Designed and built to conform to **LEED – Leadership in Energy and Environmental Design standards**, i.lab has been rated **Platinum**, the high-

est LEED rating for energy-efficient and environmentally sustainable buildings.

i.lab complies with very strict energy efficiency requirements, which allow it to save up to 60% more energy than a traditional building of the same size and end-use destination. This has been possible thanks to the special construction methods adopted, the materials used and the recourse to renewable energies, i.e. the installation of photovoltaic/solar thermal panels and the geothermal energy system.

Sustainable technology

The geothermal energy system. Fifty-one wells serving the building were dug as far down as 100 m from road level. The geothermal system contributes to winter heating and summer cooling, with energy savings of up to 50% and 25% respectively, thus reducing overall CO₂ emissions into the atmosphere.

The photovoltaic system and solar panels. The building's roof is fitted with 420 photovoltaic panels for an installed peak power of 90 kW. Total electricity generation per year is estimated at roughly 96,000 kW, corresponding to 52 tons of CO₂ saved each year. 50 m² of solar thermal panels meeting 65% of the building's yearly hot water requirement. Solar thermal and photovoltaic panels reduce consumption from conventional energy sources, thus curbing CO₂ emission and contributing to protecting the environment.

Sustainable materials

Alternative, recycled and/or locally produced materials have been used to build i.lab. By way of example, concrete containing recycled aggregates from construction and demolition or blastfurnace slag was used to build the floor screeds, the foundations and the outer walls. Other portions of the building were built using cement containing recycled slag in addition to other materials obtained entirely from industrial process waste.

As a continued effort to adhere to **LEED** standards, also **FSC® Forest Stewardship Council-certified forest products** have been used. FSC labeled products demonstrate that the material originates from correct and responsible forest management practices according to strict environmental, social and economic standards. As to **iron**, products featuring the highest possible recycled material content have been used. With respect to **glass**, a huge design effort was made to identify and obtain a unique material vis-à-vis the type of mixes used, the refractive index and the k heat transfer coefficient. Moreover, all glass installed on i.lab is of the triple-glazing two-chamber type to guarantee excellent acoustic and thermal comfort.

Innovative products

TX Active, photocatalytic cement

The i.lab building is covered with cement containing TX Active, the photocatalytic "smog-eating" active principle that has already been used by architect Richard Meier on the Dives in Misericordia church project in Rome. i.lab's structural elements made of white concrete – columns and roofing shells – required development of a high-strength fibre-reinforced white concrete capable of meeting a complex array of static, durability and unalterability requirements.

i.light, transparent cement

Some walls in the i.lab building are made of i.light, the transparent cement developed by Italcementi laboratories and used for the first time on the Italian Pavilion at Expo 2010 in Shanghai. Stemming from the combination of a polymer more transparent than glass and a brand new mortar formula, i.light is a precast cement-based element that allows light to filter through from the outside inside and vice versa while providing the same solidity as high performance concrete.

Effix Design, creative material

Some interior and exterior decoration elements are made with Effix Design, a mortar with impressive mechanical and aesthetic properties, developed for creating non-structural cement elements (interior and outdoor furniture, street furniture, lamps and spotlights and many others). Successfully tried and tested by renowned architects and interior designers in France, Effix Design is a sustainable product in that its photocatalytic version can guarantee a self-cleaning and depolluting action.

i.idro DRAIN, draining cement

i.idro DRAIN was used for paving the ramps leading to the basement floors and the garden, and also for the concrete beading around the plants. Thanks to a specially formulated mix, this product combines the strength of concrete paving with the drainage properties of soils, respecting the water cycle and reducing water ponding, runoff and hydroplaning phenomena, with lower costs associated with discharging and treating stormwater.



With an annual production capacity of approximately 74 million tons of cement, **Italcementi Group** is the world's fifth largest cement producer.

The Parent Company, **Italcementi S.p.A.**, is one of Italy's 10 largest industrial companies and is listed on the Italian Stock Exchange.

Italcementi Group companies combine the expertise, know-how and cultures of 21 countries in 4 Continents boasting an industrial network of 55 cement plants, 10 grinding centres, 8 terminals, 494 concrete batching units. In 2011 the Group sales exceeded 4.7 billion Euro. **Italcementi**, founded in 1864, achieved important international status with the take-over of **Ciments Français** in 1992.

www.italcementigroup.com

Renewable Energy - When Waste Becomes a Resource

by **Dejan Damljanovic**,
Process & Environmental Manager,
LAFARGE BFC

Cement manufacturing is an energy intensive process with fuels required to heat the raw materials to around 1,450 °C and power required for the mills to grind raw materials and the final product. Almost 80% of the cost of cement production is related to energy costs. Energy is consumed as fuel or electricity.

The cement industry is the second largest CO₂ emitting industry behind power generation. The cement industry produces about 5% of global man-made CO₂ emissions, of which 50% is from the chemical process, and 40% from burning fuel.

The extent of the challenges faced by the cement industry in general and Lafarge in particular can be illustrated by a few figures: 2 billion tons of cement are consumed each year through out the world. It takes 1.6 tons of raw materials and 100kg of oil equivalent as fuel to produce 1 ton of cement. It is our responsibility to find solutions. Our obligation is to behave socially responsible and to preserve environment, because future generations have a right to natural resources and healthy environment.

Lafarge is a pioneer in the field of Industrial ecology. Since the late 1970's, the Group has been replacing raw materials and fossil fuels with waste, particularly in developed countries. It went one step further in the late 90's by defining a real industrial ecology strategy, and a unique expertise developed, allowing for complete management of industrial processes integrating waste. Placing the impact of its activities on the environment on a par with corporate responsibility and governance issues, Lafarge has a long-term approach to managing its business.

A very clear commitment has also been made: Lafarge makes every effort to reduce the consumption of non-renewable resources by recovering waste whenever possible. Modernizing old, less efficient factories by installing modern technologies

has improved energy efficiency and reduced CO₂ emissions. Nearly 100 million euros is spent each year in technical centers to increase factory efficiency.

Lafarge BFC, as leading cement production company in Serbia, frontrunner in building materials, and one of the most important supplier of construction industry, started thinking at a very early stage about ways of reconciling industrial imperatives with the preservation of ecosystems. In response to this environmental challenge, Lafarge BFC has been committed to industrial ecology rethinking industrial processes to transform some industries' waste products into other industries' resources.

Lafarge BFC is offering the community a reliable means of disposing of certain types of waste. In this way, the company serves the community by recycling waste that would otherwise have to be processed and eliminated.

Alternative fuels are waste materials that have high energy value and combustion heat release, which can be used in rotary kilns for clinker production. There is a whole range of different waste materials used as alternative fuels. Alternative fuels may be liquid or solid. Liquid waste mainly represent the refinery. Hard wastes are rubber, waste plastics (PVC), industrial wood, paper, municipal waste, animal meal and so on. Benefits of using alternative fuels for environmental protection are: saving of natural resources, non-renewable fossil fuels (oil, gas and coal) and solving a problem of land filling different types of waste.

Lafarge BFC uses the following alternative fuels: waste tires, waste oil, industrial waste, municipal waste (solid shredder waste - SSW) and biomass. The process of obtaining permit to use the animal meal as alternative fuels is ongoing. In Lafarge BFC using tires as alternative fuel started in 2008 when the permit was obtained to replace 12% of conventional fuels, with waste tires. In 2010. we had substituted up to 30%

of conventional fuels by using alternative fuels. Lafarge BFC also has permit for the treatment and storage of solid shredder waste (SSW). Lafarge BFC began with the use of solid shredder waste in March 2011.

All waste materials in Lafarge BFC undergo a double selection process: a first verification determines if the wastes are technically compatible with plant equipment; a second verification determines if the wastes are compatible with cement quality concerns. For each alternative fuel there is certified analysis (made by external laboratory). Likewise, Lafarge BFC laboratory do additional researching aimed to determine quality of the fuel. One of the Lafarge BFC top priorities and overall goal are constant investment in the protection of environment of the community they operate in. All emissions and, in particular, the ones that occurs during upsets are under regulations and are monitored by the competent authorities in the city where our factory is working - Beocin. Moreover, injection of waste is automated and therefore will be stopped automatically in case of any failure in the process. Lafarge BFC has set several mechanisms of doing so - first are purchase of the filters that are significantly decreasing the emission of the dust, and second is the measuring stations that are constantly measuring the quality of air. As of 2011, every operator in Serbia including Lafarge BFC is obligated to enable the measuring of emissions recorded on all emitters two times a year. Only a laboratory accredited by the Ministry of the protection of environment can do the measuring. The measurements are taken at the time when all the emitters are operating with the full capacity. The certified laboratory does the measurements and prepares a report that is delivered to both Lafarge BFC and the Ministry of the protection of environment. The methodology of the measuring is dictated by the law. Lafarge BFC is also required to report to the Agency for the protection of environment of Serbia on the quantity of emitted gases and dust at the end of every calendar year, and this report is an integral part of Cadaster of polluters in Serbia which is prescribed by law. Cadaster of polluters is a public document, all the data on exceeding allowed levels can be found on the websites of the Ministry, the Agency and media. Compliance with regulatory requirements is one of Lafarge BFC top priorities.

Lafarge BFC intention is to continuously increase the substitution rate. Today, the plants which manage to get 70 % of the energy from alternative sources are considered to be successful. Some plants in Lafarge already reached the substitution rate of 100% (e.g. Karsdorf/ Mannesdorf). In the following period, Lafarge BFC will use those types of alternative fuels, which are proven in the world, defined by regulations in Serbia and for which there are an economic justification. The local community in Beocin have a benefit in terms of improvement of environment, which competes in multiple ways in saving of natural resources, nonrenewable fossil fuels, solving a problem of land filling different types of waste and usage of some alternative fuels will require the opening of additional working

places. Beocin citizens can get the insight into the activities related to the certain type of alternative fuels in Lafarge BFC through the representatives of the local community organs or through the direct contact with Lafarge BFC Communication department.

Each country or region with a clear vision about the permanent solution of non-renewable raw materials, minerals and fossil fuels usage, surely except recycling, recognizes a partner in the cement industry which helps it to reach a goal, using cement kilns as the best means for controlled and continued combustion of the waste which cannot be recycled. Besides the permanent solution of the waste land filling, this collaboration between private and public sector, contributes to preservation of the environment, fossil fuels and consequently to cost savings for the industry. Some types such as explosive substances, gases, radioactive materials and infective medical waste, are strictly prohibited. The Cement Business considers the use of alternatives and the pursuit of industrial ecology to be separate but complementary parts of its core business. The Business has developed a highly professional strategy as well as expertise and a dedicated organization at Lafarge Group level.



Lafarge Beocin Cement Factory is the oldest factory on the Balkans, established in year 1839. New chapter in the factory history started in 2002, after joining Lafarge Group. Today, Lafarge BFC is the leader in the cement production in Serbia. Since July 2010 Lafarge Serbia started producing concrete, which fortified its position and attributed to faster response to challenges of sustainable development, as well as new products development. During the last nine years, Lafarge has invested more than 100 million EUROS in reconstruction and modernization of the plant in Beocin. The purpose of these and many other investments was not only the plant modernization and capacity increase, but also enhancement and improvement of the environmental impact and fuel optimization.

www.lafarge.com

Saving Carbon Emissions in the Paper Industry

by **Arnavaz Schatten**,
Group Sustainable Development Reporting Manager,
Mondi Group

Mondi believes that **sustainable forest management** has a key role to play in dealing with climate change, as climate change and forest management are intrinsically linked. Their 100% FSC™-certified leased and owned forests in Russia and South Africa are reflective of their commitment to responsible forestry, and their New Generation Plantations (NGP) project in South Africa is among global best practice. NGPs are intensively managed forest plantations that maintain ecosystem integrity; protect high conservation value (HCV) areas; are developed through effective stakeholder participation processes; and contribute to economic growth and employment. NGPs offer both bio-energy and carbon storage, while helping to conserve natural forests. The carbon sequestration capacity of Mondi's South African plantations has resulted in the avoidance of around 4.1 million of CO₂e tonnes per year. A major driver of climate change is **deforestation**. Although Mondi fells trees, they are not party to deforestation. For every tree that is felled in their plantation forests, at least one other is planted. In 2011, some 32 million new trees were planted by the Group. In Mondi's natural forests, felled areas are left to regenerate naturally and poor regeneration is supplemented with plantings. Mondi is not involved in illegal logging and has strict fibre sourcing requirements.

Mondi also actively drives the **recycling of paper** to replace

virgin material, and to avoid GHG emissions linked to the production of virgin fibre and prevent landfilling or incineration of recyclable fibre. In 2011 they used 1.5 million tonnes of recovered paper (30% of total pulp used).

Since 2010, Mondi has provided detailed **product carbon footprints** including a computer-based product carbon footprint calculator, based on the 10 principles of the Confederation of European Paper Industry (CEPI), for all their products. Using this methodology they can not only calculate the total carbon footprint of each product, but also calculate a breakdown of carbon data at the various stages of the supply chain to determine the effect of their GHG reducing activities at every stage. They actively engage with suppliers and customers to reduce their carbon footprint across the entire value chain.

Mondi is also improving their energy efficiency and reducing CO₂ emissions from the use of fossil fuels by

improving the energy efficiency of their production processes; further increasing energy generation through combined heat and power (CHP) technology; increasing the use of biomass-based fuels for energy generation; increasing the availability of sustainably produced fibre in support of international carbon trading; and implementing projects that will deliver carbon credits under internationally accepted flexible mechanisms, providing green energy to customers.

The Group has approved certain **energy-related investments**

“*For every tree that is felled in Mondis' plantation forests, at least one other is planted. In 2011, some 32 mio new were planted by the Group*”



across a number of its operations, including a bark boiler in Syktyvkar; a steam turbine and recovery boiler economiser in Stambolijski; a steam turbine in Richards Bay; and a new recovery boiler in Frantschach. The focus of these and other projects still under consideration is to improve energy efficiency and self-sufficiency whilst providing opportunities to capture additional benefits in the form of electricity sales.

100% of Mondi's **electricity is generated onsite** by way of CHP technology, using their power stations to simultaneously generate both electricity and useful heat. This technology results in savings of more than 30% of primary energy compared with conventional electricity generation. Mondi is therefore able to sell its **excess green energy** and to provide electricity



and heat from renewable and carbon-neutral resources for the public grid, and thermal energy for district heating in proximity to their material operations.

The Group's Frantschach operation in Austria and their Richards Bay operation in South Africa are almost completely self-sufficient in electricity. Their overall **electricity self-sufficiency** in 2011 was 93%.

Mondi is working towards increasing its ratio of **renewable energy use** over fossil fuels by increasing the use of biomass from sustainable sources. The proportion of renewable energy to overall fuel consumption increased from 47% in 2004 to 57% in 2011. In 2011, they saved CO₂ emissions of around 249,000 tonnes by the sale of green electricity, heat and fuels; use of recovered fibre; and substituting natural gas with biogas.

Mondi regularly **reports and monitors their performance** internally and externally. They have publicly disclosed their carbon performance through the Carbon Disclosure Project (CDP) platform since 2008, and in 2011 they were listed in the Carbon Disclosure Leadership Index (CDLI) for the second consecutive year and ranked second in the material sectors. Their carbon emissions are reported in accordance with the GHG Protocol, and in 2011 Mondi achieved ISO 14064-1:2006 certification for their carbon reporting. Their emissions in 2011 amounted to 5.6 million tonnes, down by 26% since 2004 (calculated per production volume), already exceeding our commitment of 15% reduction by 2014.



Mondi is an international paper and packaging Group, with production operations across 31 countries.

Mondi is fully integrated across the paper and packaging process, from the growing of wood and the manufacture of pulp and paper (including recycled paper), to the conversion of packaging papers into corrugated packaging, industrial bags and coatings. Mondi recognizes the need to integrate sound principles governing safety, business conduct, social, environmental and economic activities into business practices and decision-making. The Group has been recognized for its sustainability through its inclusion in the FTSE4Good UK, Europe and Global indices and the JSE's Socially Responsible Investment (SRI) Index.

www.mondigroup.com

OMV Secures Energy and Climate Protection

by **Barbara Oberhauser**,
Head of Department Environmental Management,
OMV Aktiengesellschaft



Today's energy and climate policies present major challenges to the oil and gas industry. As energy demand grows, the industry has a primary responsibility to contribute to securing the energy supply. At the same time, greenhouse gas (GHG) emissions must be reduced in all economic sectors so as to mitigate climate change. OMV will continue to expand its gas business activities and promote the use of natural gas for power generation by building high-efficiency gas-fired power plants in order to reduce the carbon intensity of OMV's portfolio. Equally important, it will continue to monitor and control its own GHG emissions.

Energy management

The oil and gas industry is an energy-intensive business, with energy accounting for a significant share of OMV's operational costs. Improved energy efficiency is, therefore, a priority for OMV, not least since it also helps reduce GHG emissions. Thus, OMV's carbon strategy and GHG emissions reduction are key elements of the energy management of the company. Total energy consumption of OMV was 131.7 petajoule in 2011 (2010: 134.1 PJ). Purchased energy, such as electricity and heat, accounted for only 5% of total energy consumption. All OMV Group refineries have implemented certified Energy Management Systems according to EN 16001:2009 or ISO 50001:2011. Systems and processes have been installed to establish energy objectives, monitor energy performance and continuously improve energy efficiency.

GHG emissions and reduction strategy

In 2008, OMV made a clear commitment to decreasing the car-

bon intensity of activities, where it is the operator, by 2015. Its targets for managing GHG emissions are:

- Reduce direct GHG emissions from Exploration and Production (E&P) and Refining and Marketing (R&M) through efficiency improvements by 1 mn t or by at least 10% as compared to a 2007 baseline and a strategic reference scenario ("business as usual").
- Contribute to the decarbonization of the energy markets in Central and South Eastern Europe by reducing the carbon intensity of its portfolio, promoting natural gas and selectively including power generation.
- Limit the power generation portfolio to no more than 0.37 t CO₂ per MWh by using state-of-the-art technology. The Carbon Strategy is currently being reviewed and will be updated in the light of the new business strategy 2021 "Profitable Growth".

Direct emissions (Scope 1)

Emission levels of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) directly related to OMV's operations were 11.6 mn t in 2011 (2010: 12.2 mn t). The other GHGs are of minor relevance and have therefore not been included in OMV's GHG figures. The reduction in GHG emissions resulted from business interruptions in North African countries, the shutdown of Refinery Arpechim as well as GHG reduction projects. Petrom E&P is in the process of replacing old boilers with modern ones to improve energy efficiency and reduce emissions. This will result in less fuel gas consumption and thus reduce CO₂ emissions. OMV Group was able to significantly re-

“Reducing carbon intensity, monitoring and controlling GHG emissions”

duce quantities of gas flared in Komsomolskoe, Kazakhstan by modifying the gas separator. This improved dehydration of the gas to be injected. Before this modification, insufficient dehydrated gas caused frequent compressor shutdowns, so gas was re-routed for flaring instead of being injected. Approximately 1,800 t of CO₂ equivalent was emitted as a result of flaring-produced gas in 2011, as opposed to 12,200 t CO₂ equivalent emitted in 2010. Great saving potential is seen in flaring reduction in Tunisia due to the planned South Tunisia Gas Pipeline.



Since 2008, R&M has implemented measures to reduce GHG emissions that total annual savings of 200,000 t CO₂ equivalent. Generally, all measures taken to improve energy efficiency contribute directly to the reduction of GHG emissions. For example, Petrobrazi refinery shows reduction potential of another 200,000 t CO₂ equivalent in 2015, thus contributing to achieving the target set in the Carbon Strategy. At the Schwechat and Burghausen refineries, a bundle of process optimization measures was likewise initiated to further increase energy efficiency by 2015. The turnaround of the Schwechat refinery in 2011 saw the lowest flaring time during a stoppage of the petrochemical part of the refinery.

Indirect Emissions from OMV Products (Scope 2)

The GHG intensity of the product portfolio decreased slightly over several years, due to a greater focus on the less carbon-intensive gas and power business, investment in alternative energies, as well as non-energy use of oil and gas (as raw materials for the production of polymers, fertilizers, etc.) in downstream activities. However, in 2011 the intensity increased, mainly caused by changes in the product portfolio after the integration of Petrol Ofisi, for example. The bottom line is that sales volumes of products have grown, thereby increasing absolute indirect GHG emissions.

In October 2011, OMV started the commercial operation of its wind farm Dorobantu in Romania, thus contributing to environmentally friendly production of power. Dorobantu is a 45 MW wind farm which accounts for 5% of nationwide wind energy capacity. In 2011, 31,600 MWh was delivered to the national grid, which means a saving of 11,700 t CO₂ emissions based on an average national grid factor of 0.37 t/MWh

in Romania. In 2012, OMV will expand the farm's capacity by 9 MW.

Emissions trading

OMV is subject to the EU Emissions Trading Scheme (ETS). At the end of 2011, 21 of its operating installations had been in the scheme: three in Austria, one in Germany, and 17 in Romania. Around 47% of the direct GHG emissions of OMV (5.56 mn t) were CO₂ emissions from EU ETS installations. As a result

of emission reductions, supplementary allocations and plant shutdowns, OMV Group recorded a surplus of 2.97 mn certificates as of the end of 2011.

OMV maintains a low-risk trading strategy. In addition to the trading of EU allowances, it optimizes the OMV carbon portfolio when needed by monitoring the possibilities of and use of credits from flexible project-based mechanisms such as the Clean Development Mechanism (CDM) and Joint Implementation (JI), as provided for under the Linking Directive.



With Group sales of EUR 34.05 bn and a workforce of 29,800 employees in 2011, OMV Aktiengesellschaft is one of Austria's largest listed industrial companies. In Exploration and Production, OMV is active in two core countries - Romania and Austria - and holds a balanced international portfolio. OMV had a daily production of around 288,000 boe in 2011 and proven oil and gas reserves of approximately 1.13 bn boe. In Refining and Marketing, OMV has an annual refining capacity of 22.3 mn t and as of the end of 2011 approx. 4,500 filling stations in 13 countries including Turkey. In Gas and Power, OMV sold approx. 24 bcm of gas in 2011. In Austria, OMV operates a 2,000 km long gas pipeline network with a marketed capacity of around 101 bcm in 2011.

www.omv.com

Orona's Green. Commitment to Sustainability

by **Iñaki Aranburu Agirre**,
Director Corporativo de Promoción y Marketing,
Orona Corporación

In line with the idea of commitment to the future, which is vital to a project like ORONA's, sustainability is considered the driving force that helps meet today's needs without jeopardizing those of the future generations. In this area we are therefore not content to merely achieve rigorous compliance with applicable legislation: we make sustainability a fundamental part of all our innovation projects, as we are convinced that it is a strategic and competitive differentiating factor for the future. Our company's firm commitment to society, sustainability and the environment.

1. Commitment to society

• **Commitment to our customers:** At ORONA we write Customer with a capital C. This apparently simple visual detail represents the fact that all ORONA's professionals implement a culture and values with a rigorous commitment to ethics, respect and total fulfillment of the Customers' expectations. As every year, in 2011 ORONA asked its Customers what their needs were and called on them to evaluate the Service received, in line with the ISO 9001 Quality Standard. Their contributions are the basis for developing our continuous improvement targets.

• **Commitment to employment:** Creating quality employment, sustainable over time, is an essential goal for us in line with our commitment and the basic principles of our Socio-Corporate culture. ORONA closed the financial year 2011 with a total figure of 4,060 jobs. One of ORONA's main goals as regards employment is to promote development policies that will facilitate participation, integration of people with special needs, equal opportunities and reconciliation of work and family life. With regard to this latter area, in 2011 ORONA completed the consensual drafting of the Project for Conciliation of

Work and Family Life, implementing the Plan for Equality between Women and Men and developing an Internal Procedure including aspects relevant to the work-life balance.

• **Commitment to training:** People are what make a company stand out from the rest. ORONA's value development and in-company training are therefore essential for aiding the company's improvement and transformation with a view to achieving its goals. Throughout 2011, almost 90% of our staff took part in the training activities, with an investment of 70,724 hours and 1,172 million euros.

• **Adhesion to the Global Compact:** ORONA ratified its adhesion to the Global Compact once again this year, as a result of our company's firm commitment to management transparency, environmental concern and conservation, and promotion of social and cultural initiatives in our local area. Implementing the Global Compact's ten principles of conduct and action is the cornerstone of our bid to improve our Corporate Social Responsibility.

2. Commitment to the environment

Compliance with the requirements of the UNE 15031:2003 Standard has enabled ORONA to become the first lift sector company in the world to obtain Eco-design certification, which it achieved in 2008. This fact clearly shows our commitment to sustainable development and the environment. ORONA revalidated this commitment in 2011, extending the scope of its Eco-design certification from a European (UNE 15031:2003) to a global level by complying with the requirements of the ISO 14006 Standard.

Eco-design methodology complements ORONA's design procedure

and management system, establishing how the environmental variable is to be included at all stages of a product's lifecycle. In 2011 we improved on our statistics in comparison to previous years: 58.77% of the devices manufactured by ORONA incorporated eco-design.

• ORONA's environmental policy

In 2011, ORONA continued its progress towards total integration of Environmental Management in its Management Systems, obtaining ISO 14001 Environmental Management certification for each of its work centers in all Spain's Autonomous Communities. Our achievements include the following:

- A notable improvement in the environmental performance of the eco-designed models;
 - Major improvements connected with the company's environmental management, such as reduction of the environmental risks posed by fire, discharge and soil contamination;
 - A substantial improvement in the recyclability of the waste generated.
 - Elimination of phenolic waste;
 - Elimination of phosphorus in industrial waste;
- Other particularly relevant aspects of ORONA's environmental policy in 2011 were as follows: we obtained OHSAS 18001 certification for our ORP system, as a result of workplace improvements geared to reducing all health and safety related risks for our staff, Customers and members of the general public visiting our facilities.

• Orona's Green

It's no coincidence that our brand name is green. ORONA believes that small projects can bring about big changes. We therefore take the sustainability variable and energy efficiency into account in all the projects we run. By way of example, some of the energy-related projects taken on by ORONA in 2011 were as follows:

- Performing energy audits at the production centers;
- Carrying out improvement actions, including specific projects for power consumption monitoring and control;
- Developing a project for inclusion of energy management processes in the Company's Overall Management System;
- Doing the groundwork for obtaining ISO 50001 certification, with a view to achieving some of the following benefits:
 - ⇒ Creation of a framework for integrating energy efficiency in management practices
 - ⇒ Improving the use of energy-consuming goods
 - ⇒ Evaluating and prioritizing the use of new energy efficiency technologies
 - ⇒ Defining a framework for fostering energy efficiency throughout the entire supply chain
 - ⇒ Implementing energy management improvements within the context of projects for reducing GEG emissions
- Other associated projects:
 - ⇒ Signing the "fleet agreement" with the EVE (Basque Electricity Board): "encouraging electric vehicle use"
 - ⇒ Designing efficient driving courses for maintenance technicians
 - ⇒ Including electric motorcycles and 5 electric vehicles in ORONA's fleet

3. Commitment to our surrounding environment

Profit at ORONA only makes sense when measured in terms of its social benefit. ORONA therefore once again earmarked a percentage of its profit this year to promoting charity, educational and cultural activities in the communities it works in, and to financing collaborative projects for building infrastructures and social centres in developing countries.

• **COEPC - Compulsory Contribution for Cooperative Education and Promotion:** In 2011 ORONA earmarked almost half a million euros to backing local aid projects.

• **Special "Solidarity Board" Donation for Lorca:** To meet the urgent needs of the people of Lorca, the town hit by an earthquake on 11 May, ORONA made a COEPC fund donation of 40,000 euros through one of the Orona Pécres work centers located in the area.

• **Donation to MUNDUKIDE:** Another outstanding donation, 60,000 euros in this case, was made to Mundukide, an NGO promoting solidarity of the business world with impoverished populations, providing them with the cooperative movement's means and know-how for their own development.

• **The MUNDUKIDE charity Christmas card:** ORONA has continued the cooperative charity project being run in Marrupa, Mozambique, sending its charity Christmas card for the second year running to all its Customers, suppliers and friends. This has enabled the 10,000 fruit trees that were planted last year to be transplanted in the kitchen gardens of several Marrupa families.



ORONA is a business group with more than four decades of experience, formed by 30 companies in Spain, France, Portugal, United Kingdom, Belgium and the

Netherlands, that employs more than 4,080 people. Its activity centres on the design, manufacturing, installation, maintenance and modernisation of urban mobility and elevation solutions, such as lifts, escalators and moving walks. All that from an integral service perspective and for all sectors of application, from residential to commercial, also including public health, heritage buildings or heavy loads. ORONA is integrated in the MONDRAGON CORPORACION; its cooperatives agglutinate a collective of more than 85,000 people. ORONA is a globally integrated corporate experience in permanent transformation, committed to social, energy and environmental challenges that innovate to materialise eco-cities and to create wealth and generate value in its surrounds, without mortgaging future resources.

www.orona-group.com

Overgas - Bringing Children to Nature

by **Elisaveta Andonova**,
Public Relations Department,
Overgas



In our urban society we often need to consciously create opportunities for children to bond with nature and learn about the environment. At Overgas we focus not only on helping them develop environmentally-friendly values and behaviour, but also on making sure they understand the environmental challenges we face.

Over the past 10 years our commitment has established solid roots, turning environmental care into one of our core values, through which we strive to voice a strong message towards the young generations. The achievements of Overgas in this field are best described through our projects, detailed information of which can be found below.

1. "Let Us Keep Bulgaria Green and Clean for Us and Our Children"

Eleven years ago devastating fires raged all over the country for months, destroying thousands of square meters from the Bulgarian forests. In our impulse to heal the wounded nature we laid the foundations of an initiative, through which we contributed to the restoration of the damaged forests, taking a significant part in the whole forestation process – from the soil preparation and saplings' planting to the crops' cultivation.

The efforts we invested in accomplishing this goal made us the first private company in Bulgaria to help restore and protect the Bulgarian forests and the biodiversity in them. But our involvement did not end there, because along with the new forests, we planted a new idea as well – a vision for a greener and cleaner life for us and our children. Thus, in the autumn of 2000 "Let Us Keep Bulgaria Green and Clean for Us and Our Children" was born with the aim to improve the state of the environment and to present our children with the eco opportunities for better living conditions.

2011

A decade later "Let Us Keep Bulgaria Green and Clean for Us and Our Children" is a treasured annual tradition epitomizing the same values we had 10 years ago, however now garnished with even more aims and enthusiasm, which fortunately results in a bigger and better impact today.

So far we have:

- Made **14** forestation campaigns on the territory of **12** Bulgarian municipalities;
- Planted **130,000** trees;
- Forested **383,000** square meters of land;
- Involved **600** children from **12** schools all over the country. All of them learned how to forest and they planted their first trees. Their participation during the first day of the forestation is an invaluable lesson of how vital it is to look after nature. A message we hope they will carry with themselves in the future.

The project is initiated, developed and financed by Overgas but we benefit immensely from the competent cooperation of the Executive Forest Agency of Bulgaria and its regional structures. Their help allows us to carry out a problem-free forestation process each year.

Our commitment to "Let Us Keep Bulgaria Green and Clean for Us and Our Children" is growing from year to year and the results inspire us to keep our vision intact and continue working hard in the name of the greener environment and eco awareness of our children.

If willing and having resources available any organization or company could afforest an area, which is agreed with the Executive Forest Agency.

“ **OVERGAS: our commitment has established solid roots, turning environmental care into one of our core values** ”

2. "Find Out about Nature and Protect It"

Have you ever wondered as a kid...

Where do bears come from?

Why do bees buzz around brightly colored flowers?

Why are only some plants and animals protected and not all?

The question "Why?" is the epitome of children's curiosity. Back in 2009 we at Overgas decided to use this natural sense of wonderment as a base to bring children even closer to the environment. Our idea was to open young minds to the living world through hands-on exploration to discover nature. We called it "Find Out about Nature and Protect It".

Since then we have provided educational programs tailored specifically for children twelve to thirteen years of age, studying at the "Bulgarian school", through which kids learn more about the environment by observation, exploration and even the art of photography.

The project consists of three parts. The first one is an open class held at Overgas headquarters, where experts open a group discussion with the children about current environmental problems and encourage them to ask "why" and discover the answers to their questions together. Always a thrilling part for the children is the lesson in photography skills, where a professional photographer teaches them how to effectively use their cameras outdoors – useful knowledge they will need to hang on to for the second part of the project – a visit to Vitosha Natural Park in Sofia.

The second part of "Find Out about Nature and Protect It" is something children always look forward to. During their visit to the Vitosha Nature Park, specialists introduce them to the different protected plant and animal species in their natural surroundings, while the kids are allowed to document the whole "expedition" with their cameras under the watchful eye of a professional photographer.

The best photos are selected and processed by the children themselves as part of the third stage of the project. The winning photographs take part in an exhibition and enter an online gallery, bringing pride and joy to the children and their families and leaving a good and stable memory of a thrilling learning experience.

So far, through the project, we have:

- Carried out **5** sessions on the territory of Sofia;
- Taught over **60** pupils twelve to thirteen years of age;
- Arranged two exhibitions with the best photographs of nature taken by the children, which also featured in the annual calendars of Overgas;
- Created an online gallery, containing all the photographs within the project.

The project is initiated, developed and financed by Overgas.

The impact "Find Out about Nature and Protect It" has had during the last three years has urged us to continue with our efforts in building up a positive attitude towards the surrounding environment in children and assuring they have greater responsibility towards its preservation.

3. "e-Dom" – The Computer Game

In September 2009 Overgas developed the first eco-based computer game in Bulgaria, called "e-Dom" (in English "e-Home"). Our aim is to promote the environmental and economical use of the energy sources in the country and to provide e-solutions to actual ecological problems.

It is a strategic game. The participant selects the type of their home followed by 48 different steps which offer different options for furnishing and technical equipment, having in mind the price, as well as the environmental and economic factors. All decisions must be coordinated with the care for the environment and the financial means each contestant is provided with. In this way, the successful e-Home could easily turn into a real one.

Those in seek of energy effective solutions for their home are able to search for them for free on www.overgas.bg/e-dom/. It is suitable for all ages, making it especially useful and educational for children.

Results so far:

- The game has been played over **4000** times;
- Over **260** participants have reached the highest score;
- Ranked third in the "Best Functional Educational Game" category of the European contest "LUDUS".

The development of such games would benefit the society and voice environmental issues and the methods for their solution. Overgas has a deep-rooted culture in being environmentally responsible. What we are striving for now is to impart that responsibility to the younger generations in hope of a greener and cleaner future for all of us.



Overgas is the biggest private gas distribution company in Bulgaria. Founded in 1992, its mission is to provide an energy alternative and make natural gas accessible to the Bulgarian market by developing and offering gas infrastructure services. Twenty years later Overgas holds 10 out of 62 licenses for natural gas distribution and its subsidiaries supply 51 municipalities, including Bulgaria's biggest cities. The length of the gas distribution network tops 2000 kilometers and covers 50% of Bulgaria's population. It is a community of 1800 employees, over 15,000 children and youths involved in the company's education, culture, sports and leadership initiatives and 45,000 consumers of the European blue fuel.

www.overgas.bg

Renfe's HST: High Sustainability Trains

by **Santos Núñez del Campo**,
Sustainability Manager,
Renfe

Renfe's main contribution to sustainability is to get an effective modal shift from less sustainable competitors (road and plane) to our services. In order to increase this competitive advantage, our company is making efforts to improve our energy efficiency by developing an Energy Sustainability Plan aiming to get more clients and therefore to increase, even more, our contribution to sustainable development.

The Energy Sustainability Plan of Renfe has been developed as a framework and roadmap which contains tools for maintaining and increasing in the future our strategic advantages as the most sustainable company in the Spanish transport sector, and to be the efficiency leader in the rail sector in a competitive frame of operation. The Plan is going to be developed in the next ten years, in the period 2011-2020.

All the employees are the main actors of the success of this plan to reach, in all the period 2011-2020, the five strategic objectives of the Plan:

- Getting high reductions in our energy consumption (8,671 Terajules -TJ-)
- To decrease our Green Houses Gasses (GHG) emissions (a reduction of 583,992 CO₂ tonnes)
- Reducing our energy dispenses (net accumulated savings of 256 millions of Euros)
- To consolidate an internal culture, where each worker will become an expert energy saver in his daily functions
- Spreading an external image according with the efforts on this subject made by the company

To know the ambition and the impact of this Plan, it is interesting to compare these objectives to our key energy performance

indicators in 2010, where Renfe had a consumption of 10,928 TJ, our energy costs were around 250 Euro millions (where more than 90% of the consumptions came from traction uses) and the level of GHG emissions were close to 600,000 CO₂ tonnes. Therefore we have planned, for the next ten years, to get reductions equivalent to one-year energy figures, and in some parts of the company as buildings and workshops we expect reductions higher than 20% of the current consumption.

“*Renfe's main contribution to sustainability is to get an effective modal shift from less sustainable competitors*”

This Plan is also an innovative energy management tool, the first of this type in Spain, and its main highlight is the fact to be more adapted to the current economical, social and environmental situation than the traditional energy efficiency and saving plans; because of its integrated focuses, where the GHG reduction and the increasing of the share of renewable energies are included too. Its making process is also innovative, due to the real integration of the opinions of all the internal stakeholders in a Sustainable Energy

Monitoring Committee.

This Committee identified a number of the most appropriate actions lines for improvement and subsequently they were defined and prioritised. Those lines were:

- Conviction and awareness
- Procurement Process
- Rolling Stock
- Buildings and Workshops
- Energy consumption metering
- Energy consumptions on traction services
- Energy consumptions on trains out of service
- Energy consumption on buildings

• External communication

After this identification, definition and prioritization process made by the Monitoring Committee, the company has elaborated the Plan and it has been approved by the President and the Steering Committee in February of 2011.

The Plan is in line with the challenges of the 2010-2012 Renfe Strategic Plan, in order to improve our efficiency, to be ready for a competitive future frame, where the energy costs are one of the dispenses to reduce, aiming to increase our productivity.

This roadmap gives to all the company tools and sources with a new management model as the central axis. This model is a common methodology to be followed by all the departments to propose, to analyse and to develop the projects making focus on costs, consumptions and GHG emissions.

In the background of these tools, there is a group of experts to guide the works on the matter. This is a consultant and executive group integrated by managers and professionals of all the areas of the company. Its functions are to promote new actions, to watch over the actions on process and to contribute to get the forecast savings.

Examples of these actions, in which Renfe is already working, are the following ones:

- To install energy consumption meters in all the trains, aiming to improve the energy management of our rolling stock.
- To optimize the energy purchase process, through direct agreements with the most competitive and sustainable energy suppliers.
- To sign agreements with other companies, institutions and foundations involved in the energy sustainability research and experience. As examples, Renfe has already signed agreements with other big Spanish companies to create a Platform to search energy efficient solutions, with four universities to collaborate in research projects on these topics and with the Institute for Energetic Diversification and Saving (IDAE), the main public organism involved in this matter.
- To spread the implementation of the efficient driving from the High-Speed services, where tests were made and satisfactory experience gained, to all our services. For example, Renfe has achieved 9.5% energy savings in traction of AVE (High-Speed) trains running on the Madrid-Seville corridor, enabling the train to run without consuming energy between 35% and 54% of the journey, currently this experience is being studied for extrapolating to our main High-Speed corridor between Madrid and Barcelona.
- To optimize the consumption and the status of the energy produced by the regenerative braking system installed in a high share of our trains. Renfe is already collaborating with the Infrastructure Manager (Adif) and the Industry Ministry to find mechanisms for an economical compensation for the energy returned to the general electric network by our High-Speed trains.
- To extend the automatic switching off systems from the commuter trains out of service, where the efficiency of this meas-

ure has been tested with success, to other services such us intercity, High-Speed or freight services.

- To develop renewable energies in our buildings. As an example we have started using workshops roofs for the production of photovoltaic and thermal solar energy, and we expect to expand it to the main railway maintenance workshops.
- To consolidate all the improving initiatives developed in the previous years and to recover energy efficiency projects not implemented in the past.
- And finally, the most important action is to integrate the energy consumptions in the daily labour of all the employees, through awareness and training campaigns.

Besides, to ensure the success of the plan, it is forecast to carry out a feed-back process with the results of the evaluation of the actions implemented. For this reason, the Plan contains the development of a Scorecard with the key performance indicators for each energy objective. In this way, all the departments and employees will be able to check and to contribute to make the company more competitive compare to other rail companies and to other transport modes using the sustainability as an efficient tool.

Finally, this Plan has had a good reception by external institutions; as an example the Plan has been qualified as an Excellent Practice by the Stanford-Berkeley University. Other example is the inclusion of the Energy Sustainability Plan of Renfe inside the Plan for efficiency and energy savings in transport and housing elaborated by the Public Works and Transport Ministry, where main actions in transport are to promote intermodal chains, with the rail as the backbone of the system, and to impulse the development of rail, due to the forecast of energy efficiency of our transport in the next years.

renfe

Renfe is a state-owned passenger and freight rail transport operator company overseen by the Public Works and Transport Ministry. Renfe provides passenger and freight transport services in the second High-Speed network of the world, guided by the principle of safety, undertaking its activity with the customer in mind, with criteria of quality, efficiency, profitability, innovation and sustainability, and pursuing an increase of its share in the transport market. The basis of our actions is a strong commitment to society and environment, the development of its employees, by means of a strategy that promotes sustainability, culture, ethics and good governance and which pervades all of the levels and activity areas of the company developed by the Corporate Social Responsibility strategy.

www.renfe.com

Green Office - Rational Use of Energy in the Offices

by **Rasa Jakutaviciute**,
Energy Project Co-ordinator
and **Vytautas Dobilas**,
Business Development Director,
Servico



Over 41% of energy worldwide is consumed in buildings. Administrative buildings in the group are considered the majority, because most of the working time is spent there, and most of energy is consumed. We were facing this problem every time in the administration of housing and decided to take action because the tremendous rates in the global rise of energy prices become an increasing burden in maintaining offices.

The initiated Green Office project has been developed on the basis of foreign experience and practice in creating a friendly environment in the workplace, and encouraging reasonable energy consumption. Our first step as the administrator was to carry out energy audits in the managed class A office complex, to assess the areas of the building with the greatest share of energy consumed, and to prepare a package of measures to reduce energy consumption. The audit and evaluation of the building energy flows showed that all the mandatory requirements of the build-

ing such as ventilation, cooling, heating, electricity supply for common needs, and its management, i.e. anything that depends on the manager and systems control – remained low. The largest part of the energy consumed in the office building, both in economic and energy terms, is electricity consumption in the offices, i.e. in workplaces, which accounted for 60% of the total building electricity consumption, which directly depends on the human factor, consumption habits and style. In the office workplace electricity is used for lighting, and for all office equipment: computers, printers, telephones, fax ma-

chines, servers etc. All these devices are usually left plugged in during and after the working hours: at night, on weekends and on holidays. A small number of personnel are conscious about the costs of energy consumption, even more so as the employer pays for it, not the employee. Let's say, not everyone of us think what we should turn off, but as little as 5 appliances left plugged in through the night consume the same

amount of electricity as a 60 watt incandescent bulb left on through the night. Many of the devices that are off, yet remain plugged in the mains, consume energy. British scientists conducted a study that found that a regular mobile phone charger continuously kept plugged in the power outlet uses only 5 percent of electricity usefully – i.e. for the phone battery charging, and the rest 95 percent is wasted. During the work, most of the time people spend using electrical appliances and equipment. However, in many cases we should be more conscious, and when leaving off to a meeting from the

workplace we should turn the lights and the computer monitor off every time, because it accounts for most of the computer's electricity consumption. Sleeping mode of the office equipment is very beneficial for power savings, which can be significantly reduced by about 15 percent in this way. These are all measures not requiring great investment, they cost nothing financially, but the results give a financial advantage. These are the tools and techniques to reduce energy consumption and they are merely habits, which do not cause major problems. Finnish scientists found out that while repeating the action, a

“ *Rational use of energy in your office does not cost financially it is dependent on human resources and the office management principles* ”

person gets fully accustomed to it within 2-3 months and it becomes a habit and taken for granted.

The building energy audit was followed by a number of packages of measures to reduce energy consumption. The first package included the building's energy flow management through the building management system (BMS), according to auditors' recommendations for improving the building engineering systems and processes and their operation modes. Simultaneously, we undertook a second package of measures proposed – recommendations for the application of management measures to reduce energy consumption. At this stage, management measures were used in publishing informational material about energy saving options in the common areas, stairwells, elevators. Using the first two years these measures showed encouraging results and the overall needs of the building were reduced. We reduced building energy consumption for as high as 9.7% (taking into account the increase in the occupied area). After this successful attempt, we aimed at reducing resource consumption even more and all the efforts were directed to the largest group of consumers – electricity for office activities. Green Office project was born.

Green Office project covered targeted managerial and information dissemination tools in the administrative buildings. We organised free training for office administrators, presentations for office personnel in order to include more people and encourage their interest while talking about the project office for all employees and providing essential information, delivering presentations and facts about the energy consumed by appliances and equipment in the office, at home and all around us, and showing how to reduce or prevent unnecessary consumption of energy which was named as energy waste; after all, why to pay for what you do not need.

At the Green Office project start-up, two main objectives were raised in the first year. During the first year of the project offices attempted to save power, during the project each office tries to save the monthly average of electricity consumption of that office. We have the entire year to reach the goal. We will deliver an entertaining monthly graph about electricity consumption along with the bills to the offices in our administrated building, where evaluation according to three different criteria will be provided: amount of the office's energy savings, energy consumption per person and consumption per square meter. All offices – members of the project are evaluated on a monthly basis as to which office has saved the most. Offices on average reduce their energy bills by 15-25%, but we have some records, which were able to reduce their consumption by up to 70%, these offices are putting in some effort and investment. Monthly winner will be rewarded; office workers will be served a large basket of fruits as an incentive to continue to do so. Every month, we announce the winning office, its achievements and the total results of all offices in the public areas of

the office complex.

The second objective of Green Office was to introduce and implement the appropriate office waste sorting system. Waste reduction in the offices is very important, after all, offices generate over 70% of recyclable waste. As regards the waste sorting, every month we track information about generated waste collected from the office complex and on a quarterly basis we publish in the office complex what kind of results have been achieved, and the contribution to the environment.

It is good to see that the project is developing smoothly, during the first couple of months the project was joined by almost half of the members of the centre. The project is being successfully developed further and we see the interest from other office complexes which would like to try it. Offices become involved in the project and willing to participate in it because they see the benefits.

Servico is a facility management company. It is part of Eika Group, which has more than 20 years of experience on real estate development and maintenance fields. Servico is certified as maintenance and facility manager at the Ministry of Environment, State Energy Inspectorate under the Ministry of Economy and other state institutions of the Republic of Lithuania. Our team unites experienced professionals, certified specialists of various concrete fields. We offer a complex of services for our corporate clients.

Servico is an active member of municipal and state business confederations and the National Network of Responsible Business (Global Compact Lithuania). Since 2011, we implement the Green Office program, optimizing the consumption of energy resources and promoting environmental responsibility in business centres.

Eco & the City: the Siemens Italy Road Show on Environmental Sustainability

by **Samuele Maistri** Sustainability
and **Francesco Alivernini**,
Marketing Communications,
Siemens Italia



Has been estimated that redesigning cities could positively influence up to 70 percent of humanity's ecological footprint (EF). In 2005, humanity's ecological debit stood at 30 percent, meaning that we were really consuming as many resources and producing as much waste as if we had 1.3 earths at our disposal. London's 7.6 million inhabitants, for example, burn up 19.7 billion global hectares; that's 125 times its geographic area. In 2000, Berlin consumed 82 times its geographic area. Figures like this make it very clear that cities will determine whether the shift to sustainability succeeds – or fails. That's why it's so critical for city stakeholders to make the right investment decisions today.

Sustainable urban infrastructures can reduce a city's EF and also save costs and improve quality of life. A fundamental change is sweeping the global economy today, a change the communiqué issued by the G20 countries at their April 2009 summit describes as "the transition toward clean, innovative, resource-efficient, low-carbon technologies and infrastructure." Two factors are driving this "shift to sustainability."

First, **climate change**. There's no doubt that human activity is causing global warming, and there is evidence that this may be happening at a much faster rate than expected. According to researchers at M.I.T., we must now expect a temperature rise of more than 9 degrees by the end of this century. Clearly, collective global action must be taken to avoid catastrophic consequences.

Second, the **economic crisis**, that has intensified and accelerated this debate, bringing to a new global consensus: sustainability is not just an ecological, but equally an economic and

social issue. Sustainability rests on four pillars: competitiveness, environment, quality of life, and good governance as an overarching principle.

To attract investments, to be competitive, cities need modern, efficient infrastructures, abundant skilled labor, modern IT and communications technologies, access to quality housing, education as well as basic services such as water and electricity. Metropolitan areas are facing a host of environmental problems, from air pollution to wastewater management and green space degradation. Sustainable urban development promotes greater use of alternative energy sources and more energy-efficient buildings and transport, measures that reduce congestion and CO₂ emissions, recycling of water and waste and the use of plants to filter

pollution and capture carbon dioxide.

While technologies to combat climate change may be ready for implementation, the magnitude and long-term impact of necessary investments are accompanied by high risk and uncertainties.

Things, however, are not as difficult as they may seem. Studies from Siemens have shown the connection between abatement potentials and investments and RoI (return on investment). This helps city decision-makers to prioritize their investments.

Eco & the City – the road show

After the release of the "Green City Index" Study performed by Siemens AG on the most important capitals and megalopolis of today, Siemens Italy has generated an innovative project aiming to show its commitment on environmental Sustainability and its capability to answer the toughest questions on

“*Cities are the living space for the 21st century and beyond*”

urban development, involving the most important Italian cities.

Eco & the City is the name of this road show that has reached 5 among the most important urban centers of the Italian country in his first part: Turin, Genoa, Milan, Rome, Florence. At the presence of city administrations – mayors and town councillors – the results of an independent specific study on each different city have been presented and discussed. The study contains a picture as well as analysis on future perspectives of the City in terms of infrastructure solutions and environmental protection.

A second part of the program is meant to enlarge the scope, looking at other cities with different features but similar commitment towards sustainable development. That's why a new stop of the road show with a new study has been recently presented in Savona, a medium-sized center with a strong influence coming from port and energy activities.

Methodology

This study is commissioned by Siemens Italy to one of the Italian leading marketing and public opinion research companies named "Istituto Piepoli".

Each research performed has the aim to give an outlook of the situation of the city and of the different possible future scenarios.

Every study has been structured on two different kind of contributions: a first desk-analysis of different official sources to gather the basic set of objective data, followed by a second phase based on several interviews of different cities' key-stakeholders and opinion leaders.

All these data and information have been related to different areas of sustainability, represented by a set of key indicators that Siemens decided to group by the following categories:

- CO₂ emissions
- Energy consumption
- Smart Buildings and Green Hospitals
- Mobility
- Water
- Waste Management
- Air quality
- Green Management Policies

An index has been identified to synthesize each factor, and each city is compared with the average score of other towns assessed. This index is calculated on a range of -100 and +100 and allows different types of analysis as well as the comparison of data with different measure units.

To the aim of drilling down different elements highlighted by the first step analysis, the qualitative part of the study included many interviews performed with: Local Authorities, Utilities or Small-Medium Enterprise Managers, Universities and Associations Stakeholders, journalists.

To show the relevant impact coming on a local base, by far more than 600 stakeholders have been involved after the first

6 road show's stops.

In order to be perfectly coherent with its sustainable message, the whole Eco & the City road show has been managed and implemented as a "free emission" event: a specialized agency has been engaged to monitor and assess CO₂ emissions generated and most of all to compensate those by planting new trees in a public garden close the Siemens Italian HQ in Milan. After adopting the same approach for two other huge Siemens' events, more than 400 trees have been planted in Parco Nord Milan.

Besides this, every other element of the road show has been managed with a strong view to its sustainable impact: local mobile Out Of Home communication activities have been transported by electric vehicles.

Also studies and press releases have been printed with recycled paper and even food was "zero km".

In order to "close the circle" and have a better view of Italian cities' sustainability also under a different perspective (the citizens), one further Siemens' initiative has involved the Italian cities, under the name of "Check-up to your City".

SIEMENS

Siemens (Berlin and Munich) is a global powerhouse in electrical engineering and electronics. The company has 360,000 employees (as of September 30, 2011) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of services for individual requirements.

In the last few years, we've transformed our organization and continuously strengthened our global competitiveness through our company programs. Siemens is an integrated technology company with a clear focus on the four Sectors Energy, Healthcare, Industry and Infrastructure & Cities. These Sectors are sub-divided into 19 Divisions.

As an integrated technology company, Siemens is a market leader in many of our businesses. It's from this position of strength that Siemens is approaching the future. With a financial target system and the goal of continuous improvement relative to the market and our competitors, One Siemens is providing the framework.

www.siemens.com

Working Together for the Environment: a New Perspective

by **Domenico Negrini**,
CSR Manager,
Snam Rete Gas S.p.A

It's not easy to find a feasible path through which it would be possible to pursue sustainable development and it calls for a connection between various perspectives, know-how and resources. No single individual nor company or organization is capable of doing this on their own and not even a single element of global society – acting on its own behalf – is able to identify, understand and put solutions of the great challenges we are facing into practice. It is for this reason that there is an urgent need for every single person (as well as society as a whole) to embrace this opportunity, to join forces and commit to solving these problems.

However, there is another important reason for exchanging ideas and listening to one another before making any major decisions that should not be forgotten: we all share the same space and the consequences of most of our actions are not limited to our own private circle. They have direct and indirect effects upon others as well.

A company can and must find an essential role within this process and it is already an established rule in many countries: companies cover an active role in the determining of public policy and the development of regulations.

The growing numbers of partnerships between the public and private sectors throughout the world have increased the role of the private sector in carrying out that which had traditionally been considered as public service.

Within this framework, corporate sustainability must take on a logical and conceptual structure based upon a model of responsible corporate conduct in regards to stakeholders even before

becoming operative. This conduct is adopted for the purpose of maintaining an "operating license" and creating an opportunity in which the value created can be shared.

The concept of shared value according to Michael E. Porter is the "sum of operative policies and practices that reinforce the competitiveness of companies while improving the economic and social conditions of the community in which the company

operates at the same time". This becomes essential to the building of a common goal and an approach to the complex issues we all have to come to terms with.

In order to do this, the company cannot exist in isolation; it must make every effort during each phase of its existence so that the community in which it operates is in "good health". Playing the "green" and "social" part is no longer enough; the bond between a company and the community must become a central one and not some mere factor to be activated only when its reputation is at stake or when an internal or external problem surfaces or when sales are down.

A first step could be listening to and involving stakeholders: companies must learn to respect, listen to and answer to its own stakeholders. The keywords of this involvement, as Accountability teaches us, are: reporting, transparency and business ethics.

From the perspective of a multi-stakeholder dialogue – to tie up the strings that are already there into a new weave, into a network that is more aware – Snam Rete Gas has put various players together who share a common goal: an awareness campaign about respecting the environment.

Actually, information about the effects that each and every one

of our actions has on the environment is essential to creating an environment-oriented awareness: this does not mean being against economic development or scientific progress. It means aiming for a respectful development of the environment hosting us in order to prevent the effects we all know so well: pollution, greenhouse effect, deforestation, biodiversity decreasing, only to name a few.

Now, more than ever, the greatest efforts must be dedicated to environmental communication and education towards children in primary schools, the protagonists of our future, so that they can become citizens who are aware of their actions in a context that respects the planet.

The project called "Tutto giù per terra" ("All down underground") was created precisely for this purpose: bringing institutions, schools and the world of associations together to build environmental awareness based upon interaction among the company, the country and the community in which it operates with its own infrastructures. This goal also entails building a long-lasting relationship by strengthening relations with the stakeholders, both those which are institutional with whom we collaborate to carry out business throughout the country and those with whom we already collaborate, such as the Legambiente. Snam Rete Gas has been supporting the Italian edition of "Clean Up the World" since 2002 alongside this environmental association. This is a global campaign made up of volunteers who commit to cleaning up waste left in the abandoned areas singled out by the Legambiente in collaboration with Municipalities.

Beginning with the company's participation in this very important initiative, developing it from a standpoint of proactive partnership and taking full advantage of collaborations with institutions throughout the country where our business is carried out, a project has been drafted that is aimed at schools and students – the future generations which are directly concerned with the concept of sustainability.

While the "Clean Up the World" is taking place, Snam Rete Gas organises educational encounters with schools in some of the places where it has installations for the purpose of promoting sustainability, respect for the environment and good practices that place the company at the forefront of environmental issues.

The encounter is conducted with Legambiente: the NPO presents the "Clean Up the World" initiative and its purpose by preparing the children for a day of cleaning up while Snam Rete Gas uses simple words (suited to their age) to explain the know-how and technology it uses to neutralize the impacts its infrastructures have on the country and the environment.

This initiative includes various tools of communication dedicated to children: a presentation and an educational video game structured for two different age groups that deal with environmental restoration and a can with seeds of plants found

locally to grow on their balconies at home to transplant later. A cute mascot shaped like a tree named "Tino" (from the Italian ripristINO, translated as "restoration" with the meaning of natural restoration after pipeline laying) is the leading thread accompanying the children through this enjoyable voyage into the world of Gas.

In order to continue this initiative throughout the following months, the same plants, compressor stations and natural gas storage plants are open for an entire day to the schoolchildren, their families and other citizens so they can all have a first-hand look at the activities being carried out at the plants as well as those of technicians and the NPOs involved. It is a festive day that we have called "A tour of the Station" ("Un giorno in Centrale").

Since 2010 various "open-days" and encounters with over 500 students have taken place and in late September the new edition started that involved 60 children in the primary school of Verolavecchia. Snam touched upon several issues such as energy, energy resources, the use of natural gas and its environmental benefits and the company best practice about environmental restorations.

Meanwhile the local Legambiente representative made the children aware of the importance of energy saving, pointing out the need for everybody's contribution to planet protection. The project will be expanded in 2012: enhanced by new areas and learning tools through collaborations between the company and institutions that we hope will become more and more useful and constructive.



snam rete gas

Snam Rete Gas is an integrated company operating in the activities of transportation, distribution and storage of natural gas and regasification of liquefied natural gas. We are operative in Italy with over 31,000 km of transport network, 8 storage sites, 19 compressor power stations, 50,000 km of distribution network and a regasification terminal. Environmental protection is integral part of the corporate policies definition process and of the common practice. In fact Snam Rete Gas is committed to reduce energy consumption and atmospheric emissions, to protect nature, to preserve biodiversity and it is engaged in implementing high safety and environmental protection standards.

www.snamretegas.it

Sustainability Is a Question of Strategy for Sofidel

by **Csr and Communication Unit,**
Sofidel Group

Sustainability is a question of strategy for Sofidel

Sofidel, the second largest tissue paper producer in Europe (toilet paper and paper towels) and known mainly for its Regina brand, is a company with a strong global outlook and one that regards sustainability not only as a strategic factor for growth and innovation but also as a competitive tool for creating long-lasting value for all its stakeholders.

This approach has long been an intrinsic part of the Group, which has always been attentive to the social, economic and environmental impacts of its operations and is explicitly set out in its mission statement: "Making everyday life tidier, cleaner, more practical, safer and pleasant by investing in its employees, innovation, sustainable behaviour, business transparency and complying with existing rules, so as to create value for its clients, employees, partners, shareholders and the community as a whole".

Achieving environmental excellence

In line with its set of values, and in a period when issues relating to climate change, energy consumption, water usage and waste management are the focus of public opinion worldwide and the agendas of governments and international organisations, Sofidel took the decision in 2007 to gain environmental excellence. The operation's aim was very clear: being leaders among paper tissue producers needs being in the forefront in the use of alternative and renewable energies and optimising energy use in the production processes.

The results expected were equally clear: energy savings, improved

management of natural resources, increased collaboration and trust with qualified partners, more cooperation with public bodies, enhanced reputation (legitimation) and image (creating a high quality brand), reduction in emission costs, prompt adoption of innovative processes, satisfying the needs of new clients and the financial and banking worlds.

In the manner expressed, and in line with its belief in corporate social responsibility, in 2007 Sofidel decided to take an important step towards actively promoting a new model of sustainable development.

Strategy

To meet its objectives, Sofidel adopted a dual approach.

Firstly, sustainability had to be both rigorous and organic, so as to avoid any notion of greenwash. The principles and values of the new proposed model must be trust-

worthy and backed by managerial commitments and policies. Secondly, the Company made the decision to increase the collaborations with reliable third parties and independent partners, so to ensure reliable, measureable and accountable results, even certified by external entities. The Company believed that sustainable development was only achievable through cooperation between institutions, businesses and non-governmental organisations, all united in promoting sustainability.

The approach was and is based on concrete values and responsibility, which are an integral part of Sofidel's identity.

WWF partnership

WWF's history, international profile and acknowledged prestige

“ *Environmental excellence and the promotion of a new sustainable business model* ”

led Sofidel to choose it as a possible partner to strengthen its own environmental sustainability policies. WWF, which adopted the Panda as its now well-known logo, was founded on 29 April 1961 in the small Swiss town of Morges on Lake Lemman. It now has 5 million supporters, is active in over 100 countries in 5 continents and is involved in thousands of initiatives aimed at protecting biodiversity and promoting sustainable development. Sofidel's partnership with WWF is beneficial in two ways: on one hand, it strengthens the position of the Group in terms of corporate social responsibility. On the other hand, the partnership brings benefits in the Cause Related Marketing operations,

environment. The positive outcome of this phase led both parties to agree on working together.

Climate savers

Sofidel's collaboration with WWF Italia led to the signing of the Climate Savers programme. Climate Savers is WWF's international programme that harnesses the efforts of major businesses, such as Coca Cola, IBM, Sony, Nokia, Johnson&Johnson, Hewlett Packard and Tetra Pak, aimed at reducing their CO₂ emissions, substantially and on a voluntary basis, so as to encourage other businesses in their various sectors to do likewise.



i.e., promoting the products by linking them to charitable causes (WWF activities aimed at protecting the environment and endangered animal species).

The first contacts between Sofidel and WWF date back in 2007 with meetings between representatives of the organisation and Sofidel's management. During multiple meetings among Sofidel's Managers and WWF's Representatives, mutual information was exchanged, followed by an onsite inspection to Sofidel's factories. The aim of the meetings was to explore the possibilities of working together to improve Sofidel's environmental policy by reducing the impact of its production processes. The preliminary phase of the cooperation helped both parties knowing each other, assessing technical and technological standards of the Group's factories and evaluating the Group's commitment to the

Sofidel signed up for the programme in November 2008, thus becoming the first Italian company and the first in the tissue sector worldwide participating in the programme.

WWF, in collaboration with a research institute, analyses Sofidel's energy performance and then both parties jointly set out an action plan in order to reduce the CO₂ emissions by adopting innovative strategies and technologies.

Sofidel is committed to reducing CO₂ emissions by 11% by 2012 and by 26% by 2020, compared to the excellent level already achieved in 2007 (531,315 tons).

The reduction objectives go far beyond the commitment made by countries that have signed up the Kyoto Protocol (which takes 1990 as its base year and forecasts a 5% reduction in emissions) and, more recently, adopted by the European Union (emission

reductions of at least 20% by 2020, compared to 1990 levels), testifying Sofidel's frontline commitment to the environment.

The agreement between WWF and Sofidel includes regular monitoring and verification on the results by a third party.

Sofidel's emission-reduction strategy is based on three main activities.

Energy efficiency: in collaboration with its suppliers, Sofidel uses energy, mainly in its production processes, subjected to special analysis which allows new energy-saving opportunities and possible reductions in related resources and emissions.

Cogeneration: the combined production of electrical energy and steam using methane as fuel. This technology is well suited to the paper production process and allows for more efficient use of the primary energy resource (methane), at the same time with a reduction in CO₂ emissions.

Use of renewable energies: Sofidel aims at using renewable energy (in particular photovoltaic and hydroelectric energy) within the production processes if possible.

The Group has also chosen to support WWF's Climate Generation programme relating to climate change matters.

Acknowledgement of achievements

Membership of the Climate Savers programme has helped highlight the Group's achievements. In this regard Sofidel was invited by Connie Hedegaard, European Climate Commissioner, to participate on the "Leading by Example" round table dedicated to the green economy, and held in Brussels.

Moreover, the Group received the "Toscana Ecoefficiente 2009-2010" prize, an initiative promoted by the Tuscany Region for those committed at promoting green economy policies.

In May 2012 Sofidel received a special mention at the tenth edition of the prestigious Sodalitas Social Award for Business Sustainability, organised by the Sodalitas Foundation. 253 projects from 199 candidate companies were in contention for the award and Sofidel received a special acknowledgement for its involvement in the Climate Savers programme.

Over 18 million in investments between 2008 and 2011

Sofidel invested 18 million Euros between 2008 and 2011, most of which went into increasing the use of energy from renewable sources (e.g. photovoltaic roofing for some plants), improvement in plant efficiency and equipment (e.g. LED light bulbs) and investments in cogeneration plants.

2008: 3 million Euros for a photovoltaic roofing system at the Delicarta Cartiera factory in Porcari (Lucca, Italy), generating 300 KWp, with CO₂ emission reductions equivalent to 225 tons per year.

2009: 1.5 million Euros for the façade of the hydroelectric plant at the Fibrocellulosa factory (Lucca, Italy), with CO₂ emission re-

ductions equivalent to approximately 350 tons per year.

2009: 1.5 million Euros for the new hydroelectric power plant at the Werra Papier factory (Wernhausen, Germany), with CO₂ emission reductions equivalent to 150 tons per year.

2009/2010: 900,000 Euros for secondary energy & water saving works (Delipapier France; Fibrocellulosa, Italy; Papyros, Greece; Soffass Cartiera, Italy; THP, Germany; Werra, Germany; Delipapier Germany; Delicarta Valdottavo, Italy; Delicarta Porcari, Italy; Cartiera di Monfalcone, Italy).

2010: 2.5 million Euros for an integrated photovoltaic roofing system at the Soffass Converting factory in Porcari (Lucca, Italy), generating 554 KWp and CO₂ emission reductions equivalent to 255 tons per year.

2010: 2.1 million Euros for partially integrated photovoltaic roofing system at the Delicarta Converting factory in Porcari (Lucca, Italy), generating 778 KWp and CO₂ emission reductions equivalent to 420 tons per year.

2010: with an overall expenditure of 300,000 Euros in 2010, Sofidel replaced old neon and other types of light bulbs with over 350 LED bulbs, with CO₂ emission reductions equivalent to 110 tons per year.

2010: the 7 million Euros invested in a new generation gas turbine at the Delitissue factory (Ciechanov, Poland), which is expected to cut CO₂ emission reductions by approximately 16,000 tons per year.

2011: 1,6 million Euros for secondary energy & water saving works (Comceh, Romania; Soffass Cartiera, Italy; Sofidel UK, United Kingdom, Swedish Tissue, Sweden).

The investments and works implemented have led to a vast reduction in the Group's CO₂ emissions. In 2011, carbon intensity reduction already stood at 10.9%, which is perfectly in line with the commitments and objectives set by the Group in 2008.

A comprehensive approach: sustainability tools

In order to integrate sustainability policies in the daily business operations, Sofidel has drafted different documents containing the ethical and social behaviour expected within the organisation. Moreover, Sofidel has implemented multiple sustainability management tools such as: reporting tools (a Sustainability Report, eventually became an Integrated Report); ethical Guidelines; Sustainability Charter; Equal Opportunities Charter in the Workplace; and Sustainable Development Plan. Regarding the governance, the aim of the Group was integrating sustainability principles starting from the top management level, which has formed Corporate Committee that includes top managers, a special Reporting Team and Local Committees present in every foreign subsidiary of the Group.

The first integrated report

Every effort has been made by Sofidel in order to improve the re-

porting and benchmarking tools, through dialogue and collaboration with its partners, and enabling the drafting of the reports based on trust and transparency with its stakeholders. This process initially led Sofidel to draft certified Sustainability Reports, followed in 2012 by a further step forward with the drafting of the first edition of an Integrated Report. The Integrated Report is an even more detailed and exhaustive tool that combines sustainability with economic and financial performance, thus providing a more comprehensive insight into the Group perfor-



mance. The ambition being the first major leading player in the tissue sector to publish an Integrated Report is consistent with Sofidel business culture, which has always been in favour of innovation and sustained improvement.

Building a sustainable future together: other partnerships

To complement its global approach and quest for full cooperation with institutions, bodies, associations, representatives and other stakeholders in promoting sustainable development, Sofidel is also working with prestigious, independent institutions and organisations and has signed up to the Global Compact programme, a co-initiative by the UN and Fondazione Sodalitas, the first organisation in Italy involved in promoting corporate social responsibility and dialogue between businesses and not-for profit organisations.

Further topics on Sofidel's environmental policy

In addition to increasing the use of alternative and renewable energies and optimising the energy used in the production processes, Sofidel has also adopted a responsible raw materials sourcing policy (cellulose) and is working towards reducing the amount of water used throughout the production cycle.

Responsible sourcing of cellulose

The criteria used by Sofidel to assess and choose its suppliers of

raw materials have led to significant results within the Group. In 2011, 99.3% of the cellulose supply came from certified sources or from sources monitored using the main certification principles (42.6% FSC; 35.7% PEFC; 21% FSC-CW). The remaining 0.7% of the supply is subjected to alternative methods of forest certification. In order to consolidate its efforts, Sofidel has also started cooperation with WWF Italia.

Saving and recycling water

Another key area of intervention is water consumption. Water is an essential part of the paper production process: it is used at various stages of the production process and is the liquid through which fibres move from one place to another. Sofidel has invested in management technologies and methodologies aimed at reducing water consumption for many years, exporting its water reduction culture, developed in Lucca, to Europe.



www.sofidel.it www.panda.org/papercompanyindex

We're keeping a close eye on nature. Very close.

Sofidel ranked best on clean production in the category tissue in "WWF's Environmental Paper Company Index"

Sofidel invests a lot in environmental sustainability because it sees it as an effective source of innovation and competitiveness. We are encouraged by our achievements in this area so far and recognition by **WWF**. Sofidel came first in the category Clean Production for the Tissue sector (paper for domestic and hygienic use) of **WWF's** Environmental Paper Company Index, the special international environmental performance rating. It ranked best in the Clean Production category for the reduced environmental impact of its entire production process: energy consumption and CO₂ emissions, water usage, waste management and its use and discharge of chemical substances. This important award encourages us to do even more and better to help protect the environment and its inhabitants.



The average consumption of water used by Sofidel in its production process was 8.74 l/kg in 2011. Some sites were even able to achieve lower water consumption of less than 6 litres/kg of paper produced; this is significantly below the benchmark for the sector, which recommends consumption between 10 and 25 l/kg in the tissue sector.

WWF environmental paper company index 2011

Sofidel's commitment to the environment received a significant award from the WWF Environmental Paper Company Index 2011, the international table for ecological performance for paper producers.



Sofidel was indeed third overall in the tissue paper category and clinched the top spot in the Clean Production category, i.e., the category acknowledging the reduced environmental impact of a company's production processes (energy and CO₂ emissions, water usage, waste management and chemical substances).

This is an acknowledgement that encourages the Company to do even more and better.

Context: paper district of Lucca

With regards to the certifications, it is important to point out that Sofidel operates within the particularly environmentally-conscious paper district of Lucca, which itself has initiated several environment-related projects and was even ranked top in 2009 in the Cartesio Report relating to Italian Eco-districts. Indicators taken into consideration included environmental and energy management infrastructure and services (such as water treatment plants and the recycling of wasted water), availability of environmental technologies, the number of ISO 14001-certified companies in the area, monitoring, product policies, environment-related issues in the area and the promotion of innovative environmental management tools.

Health and safety policies: another feather in our hat

Health and Safety is another important element of Sofidel's sustainability policies: injury prevention campaigns; investment in technology and training programmes (18,470 hours in 2011); certification of safety management systems; campaigns promoting physical well-being; agreements with public bodies to improve safety standards; voluntary work with schools at company level to make students more aware of such matters – these are just some of the many activities in which Sofidel is involved in. Sofidel is also seeking to extend BRC (British Retail Consortium) and IFS (International Featured Standard) certification to other subsidiaries of the Group, so as to ensure that all its products are free from chemical, physical or microbiological contamination.

Other structured initiatives conducted on a regular basis include participation in the Safety - Objective Zero project, promoted by the Giuseppe Lazzareschi Foundation. The foundation awards prizes to companies in the paper sector that have reduced the number of injuries in the workplace. Sofidel also runs the Safety Idea Awards, the competition that awards prizes to employees in the Italian subsidiaries who come up with the most ingenious proposals in favour of Health and Safety in the workplace. Sofidel also publishes Working Safely Together, a magazine dedicated to safety issues. It is published in the various languages used by employees of the Group. It also runs an Internet forum for sharing good practices, statistics on injuries and other relevant matters.

Looking ahead

Sofidel's environmental sustainability policies will continue to focus on global issues, such as the fight against climate change, the effort to save forests and optimisation of water usage. Regarding the use of alternative and renewable energies, the Delicarta paper mill in Porcari is currently replacing its asbestos roof (approximately 17,000 m²) with a new photovoltaic system. A Soffass plant, also in Porcari, is also planning a similar project. There are also several on-going environmental awareness and tree-planting projects in communities where Sofidel's plants are located (Italy, Germany, Romania).



Endless care, innovative life.

Over 40 years of history, 27 companies and 25 production sites in 12 Countries – Italy, Spain, Sweden, United Kingdom, Belgium, France, Croatia, Germany, Poland, Romania, Greece and Turkey; over 4400 employees; a consolidated turnover of 1456 million Euros (2011).

Sofidel, which is Italian-owned, is the second largest paper producer in the tissue, toilet paper and paper towel sector in Europe.

Regina, its most popular brand, is present in all the major markets. Other brand names include Super-Soft Softis, Le Trèfle, Sopalin, Yumy, Soft & Easy, Volare, Onda, Nicky and Papernet.

Investing in people and communities; commitment to innovation, the quality of its products and processes; transparency and being socially and environmentally responsible are the guiding principles of the Group in its creation of value.

www.sofidel.it

Telecom Italia Smart Services: the Way to Achieve Smart and Green Cities

by **Milco Accornero**,
Public Sector - Vertical Marketing & Smart Services,
Telecom Italia



Nowadays cities are important drivers for economic development, research, innovation, and citizen participation in local government and social issues, besides being the main context in which integration among individuals, cultures and skills take place.

Two percent of the world's surface area is currently occupied by cities where fifty percent of the global population live. These cities generate a huge demand for energy (almost 75% of the world demand) and are responsible for most of the world's pollution (80% approximately).

According to European guidelines, Smart Cities are urban territories where information and communication infrastructures combine with terminal devices, services and applications in order to ensure energy efficiency, better quality of life, social and political inclusion, pollution reduction.

In this scenario, the public sector must act as a catalyst in the innovation process, supporting the establishment of a basis for synergies between local government on the one hand and citizens, industries, universities and research, and the market place on the other to be exploited.

The main issues to be considered with regard to the digitisation of cities include:

- **Mobility and Logistics:** enabling the implementation of smart mobility systems
- **Buildings and Constructions:** implementing solutions to manage and monitor buildings
- **Environment:** reducing pollution (air, water, noise...) to improve quality of life in cities

- **Energy Supply:** supporting the development of global smart grid monitoring and management
- **Tourism and Culture:** promoting traditions and culture by supporting the development of tourism
- **Education and Tolerance:** considering education as a way of improving tolerance
- **Quality of life:** designing urban areas in such a way as to increase the social inclusion of weaker individuals (young, elderly and disabled people) and improve quality of life as a result.

Thanks to its high-tech information and communication infrastructure and the technologically advanced services it offers, creating fertile ground for innovation and collaboration, Telecom Italia is a leading innovator in this field.

Given the very difficult economic scenario, there is an increasing need in the public sector to cut public expenditure without affecting the quality of services provided and the relationship with citizens. Innovation, flexibility and an ability to react and adapt quickly are essential in these circumstances.

Telecom Italia has a central role to play in supporting the Italian public sector on its journey towards modernization and innovation. Telecom Italia's vision for modernising the country involves the massive introduction of digital technologies in government processes, aimed at rationalising and simplifying them. The result will be a modern and innovative ecosystem where technology is no longer a threat but a way to make life simpler.

In order to increase innovation and modernisation in the public sector, Telecom Italia has designed a forward-looking range of

“*A central role to play in supporting the Italian public sector on its journey towards modernization and innovation*”

ICT services called Smart Services, aimed at responding in a comprehensive way to the needs that are considered central to the health of urban communities, particularly cities, including energy efficiency, quality of life, social inclusion, safety and security.

They include services designed to develop smart mobility, encouraging the use of low environmental impact vehicles, services to monitor urban areas, services that help to deal with social emergencies, interactive communication with citizens, visitors and tourists, and services to increase security through advanced video surveillance systems.

These Services are part of the Nuvola Italiana, the Telecom Italia Cloud Computing offering: a set of services based on innovative infrastructures and applications, designed to simplify the ICT management in the public and private sector. The benefits of this offering model vary from investments reduction to easier scalability, to higher efficiency and security levels.

The Smart Services offering supports the Public Sector in dealing with important issues that are critical for the life of citizens living in urban areas:

- **Smart Town:** the Cloud Computing platform at Telecom Italia's data centres allows the intelligent management of urban areas, reducing energy consumption, increasing environmental sustainability, enabling value added services for citizens. The Telecom Italia communication network integrates with the lighting grid to create an infrastructure that enables the delivery of services aimed at achieving energy savings and efficiency, increasing security, supporting smart mobility, monitoring the environment, providing wi-fi connectivity and interactive communication and promoting tourism and culture.
- **Smart Building:** for the integrated management and monitoring of buildings (both new and old). The service is based on the concept of extended LAN and exploits the existing electricity grid by adopting modern and non-invasive technological solutions. It supports eco-sustainability thanks to energy consumption rationalisation and reduction and enables the implementation of value added services, such as digital communication, wi-fi connectivity, video surveillance and access control.
- **Smart School:** provides a wide range of solutions designed for digital schools, which can be implemented by individual schools according to their needs. The services include building automation, increased efficiency and security, classroom digitisation (with the introduction of Multimedia Interactive Boards and PCs) and applications designed to facilitate interaction between schools on the one hand and students and their parents on the other.
- **Smart Hospital:** offers a suite of services that provide building automation to improve hospital energy efficiency and security (HVAC and lighting grid control, video surveillance) and comfort for patients in their beds by use of a touchscreen PC that allows video communication with their family and the nurse's desk, ensuring better interaction and quality of life during their stay in the hospital.

In order to facilitate the development of Smart City projects, Telecom Italia has based the design of its Smart Services on the adoption of highly innovative technological solutions, such as Power Line Communication and Plastic Optical Fibre. These allow low cost implementation and realisation and have a low impact on existing infrastructure and buildings.

The adoption of Telecom Italia Smart Services can help citizens who enjoy these services to change their habits, as well as helping local government to achieve efficient interaction and participation of people and organizations in political and social life and issues.

Telecom Italia Smart Services are a solution that improves energy and environmental efficiency and provides services for citizens in an ECO-sustainable way, both from an ECOlogical point of view (reducing energy consumption by up to 30%) and from an ECO-nomic point of view (reducing energy and maintenance costs by up to 30%).

According to Telecom Italia, Smart Cities should also provide an opportunity for cooperation and development among local organisations and firms, research institutes, financial organisations and citizens, with the additional side effect of creating employment opportunities.

The innovative Smart Services offering is also the result of a collaboration between Telecom Italia, the Italian Public Sector Office and the CNR (National Research Centre), which has created the Smart Services Cooperation LAB: a centre of excellence for the study and development of Smart Services.



Telecom Italia offers infrastructure and technological platforms that provide advanced telecommunication services, as well as leading edge media and ICT solutions, for voice and data communication. These tools ensure the growth of the Group and the country as a whole. The Group's main brands: Telecom Italia, TIM, Virgilio, La7, MTV Italia and Olivetti are all well-known to consumers and are a guarantee of reliability and competence.

In addition to its leading position in Italy, the Group has a significant presence in Latin America, a market with a considerable potential for growth. Closeness to customers and technological innovation are the Group's hallmarks, combined with a streamlined organisation that focuses on quality of service, simple offers, attention to contact with customers and constant research.

www.telecomitalia.com

TERNA and the Management of Impacts on Biodiversity

by **Fulvio Rossi**,
CSR Manager,
Terna



Terna's plants are disseminated throughout Italy in a grid that extends for about 63,000 kilometers. The grid's relationship with the surrounding natural environment and its impact on biodiversity assume different characteristics during the construction of new lines and the operation of existing ones. During the construction stage, the impact on biodiversity is connected with the activities on the work site: the opening of passageways in order to erect the towers, excavation of the earth, and the removal of left-over materials. The construction of new lines and stations requires special attention if it takes place in the vicinity of or inside protected areas.

Once the line has been constructed, it has a two-fold relationship with biodiversity. On the one hand, the route of the line can be a factor of growth for biodiversity and protection for several species. For example, when lines cross large open areas or extensive areas of grain monoculture, the towers and their bases constitute "islands" of concentrated biodiversity. Tower bases – especially the larger ones that support high-voltage lines – are the only zones spared from intensive agriculture, with its working and transformation of the land. These are places where spontaneous grasses and brambles flourish in which wild rodents find shelter, because their den systems are not periodically destroyed by plowing. They are also places with concentrations of predators of the rodents, i.e. birds of prey. In effect, birds, especially rapacious ones, commonly use electric lines and their towers as both posts for observing the surrounding area and structures for nesting. On the other hand, lines have potentially negative effects on biodiversity

that regard birds in particular. The risk of electrocution should not concern Terna's lines, because it is connected with the narrow space between the typical wires of low- and medium-voltage lines, which can electrocute birds – especially large ones – that cross their route. However, high-voltage lines can entail the risk of collision. The actual occurrence of collisions depends on the density of the birdlife and the frequency with which birds of transit fly in the vicinity. The important factors in this regard are the routes of migratory bird – which are especially important in Italy, a bridge between Europe and

Africa – the location of wetlands in the area, and the presence of protected areas, reserves, and parks.

Terna manages its impacts on biodiversity with a series of integrated instruments that consider such impacts right from the planning stage and, whenever necessary, the adoption of appropriate mitigation and compensation measures. The approach is primarily preventive. Beginning in the planning stage, Terna considers the need to preserve the environment by seeking solutions agreed on with local governments regarding the location of its electric infrastructure. Like other environmental variables, biodiversity – and in particular the presence of protected areas – therefore constitutes an important input in the sustainability-based planning of grid development. The biodiversity features of the areas that could potentially host new infrastructure are carefully studied. The information collected becomes part of the criteria determining the final route and are available in the parts of the Environmental Report containing regional details that accompanies the Grid Development Plan. This approach

“*Terna manages its impacts on biodiversity with a series of integrated instruments*”

Beginning in the planning stage, Terna considers the need to preserve the environment by seeking solutions agreed on with local governments regarding the location of its electric infrastructure. Like other environmental variables, biodiversity – and in particular the presence of protected areas – therefore constitutes an important input in the sustainability-based planning of grid development. The biodiversity features of the areas that could potentially host new infrastructure are carefully studied. The information collected becomes part of the criteria determining the final route and are available in the parts of the Environmental Report containing regional details that accompanies the Grid Development Plan. This approach

was confirmed in the protocol of understanding signed by Terna and the WWF Italy which provides for, among other things, the incorporation of environmental criteria consistent with the WWF Italy's conservation strategy in the planning of new lines.

During the construction of infrastructure the habitats and species of the flora and fauna concerned are monitored. This is to check the actual appropriateness of the mitigation and compensation measures adopted in order to constantly assess their effectiveness and, if necessary, to make corrections. Specifically, environmental analyses are performed before construction and the data obtained are then compared to those from samples taken subsequently in order to promptly identify the appearance of any signs of deterioration.

Terna is also investigating the possibility of using the lines of the National Transmission Grid (NTG) to support environmental monitoring. In effect, the installation of specific sensors on line towers would enable the implementation of programs for environmental data collection agreed on with local governments and park agencies. In this way, furthermore, in addition to expanding the range of potential uses of its transmission infrastructure, Terna could make a significant contribution to the monitoring and management of biodiversity and the environment.

Lines have potentially negative effects on birdlife. While the risk of electrocution characterizes low- and medium-voltage lines, Terna's high-voltage lines can be dangerous particularly for the risk of collision. This is why on stretches of line characterized by the frequent presence of birds of transit the Company has installed special devices called "dissuaders", which, with their encumbrance and the noise made when they are blown by the wind, make the lines easier to perceive by the birds in flight. In 2008 Terna signed an agreement with the LIPU (the Italian partner of Birdlife International) for a scientific study of the interaction between high-voltage lines and birds.

The project constituted an important opportunity to study for the first time, and on a large national scale, the actual interactions of birdlife with the high and extra-high-voltage lines of the NTG. In effect, the only studies available regarded the phenomenon of the electrocution of birds whose wings touch two wires at the same time, which is typical of low- and medium-voltages lines.

Terna has also been engaged for some time in trying out alternative uses of electric lines to the benefit of biodiversity, particularly the installation on towers of boxes for the nesting of birds of prey. Numerous studies have shown how electric lines constitute observation posts for raptors' hunting. They alight on the towers because of their height, as well as the protection they offer from their own predators.

In 2010, Terna continued to support the "nests on towers"

initiative in cooperation with the Ornithologica ornithological association, which during the last few years has led to the installation of more than 550 boxes suitable for the nesting of birdlife. Constant monitoring of the boxes by a group of researchers has led to the collection of numerous biological and ethological data and to evidence for a positive effect in terms of biodiversity. Among the main species that have occupied the nest boxes are the kestrel (a species of small falcons that have adapted to living in anthropic environments), the peregrine falcon, the scops owl, and the European roller. The boxes installed on towers were monitored again during the 2010 reproductive season to collect data on reproduction. The nests were inspected from the middle of March on to ascertain if they were occupied, determine the size of the brood and the date of laying, and assess the extent to which reproduction was successful. In 2010 Terna continued to sponsor the "birdcam" project in cooperation with Ornithologica, which provides for the installation of television cameras on artificial nests to follow the birds' reproduction period online on Terna's website and the www.birdcam.it site.



With a high-voltage electric grid of more than 63,000 kilometers extending all over Italy, Terna is the leading independent transmission company in Europe and the seventh-largest in the world in terms of the number of kilometers managed. The Company is the main owner of the National Transmission Grid and is responsible for the transmission and dispatching of electricity throughout Italy, i.e. the secure management – around the clock, 365 days a year – of the equilibrium between electricity demand and supply in Italy, as well as the planning, development, and maintenance of the grid.

Headed by Chief Executive Officer Flavio Cattaneo and Chairman Luigi Roth, Terna has been listed on Borsa Italiana since June 2004.

www.terna.it

Get Green, Get a Bike, Save a Tree

by **Ivana Skakalova**,
IMS Management Representative,
TNT Bulgaria

At TNT Express we seek to make a positive impact on society through our operations and relationships, through the voluntary contributions we make to the community and through our wider engagement with society. To carry out our business, we use resources that impact society and the environment.

Protecting the planet is an essential part of our Corporate Responsibility strategy. As a transport company, we cannot ignore our impact on the environment. Our business – transporting goods by trucks and airplane – makes us a key contributor to CO₂ emissions that harm our world. Our commitment, called Planet Me, is a holistic environmental programme focused on dramatically improving the carbon efficiency of our global operations and engaging our employees through e.g. driver training.

At TNT Bulgaria we truly believe that protecting the environment is as much an individual belief as a company responsibility. We know that the accurate training and putting the right focus is essential for any success. That's why we decided to help our employees realize their personal contribution to the environmental protection. So we invented the initiative "Ride a bicycle, arrive on time".

It was launched on September 16, 2007 in front of the National Theatre in our capital Sofia. The initiative was under the aegis of his majesty Willem van Ee, Ambassador of the Netherlands in Bulgaria at that time and with the support of the Municipality of Sofia and personally the Mayor of Sofia.

The start of the initiative "Ride a bicycle, Arrive on time" coin-

cided with the first day of the European Mobility Week (16-22 September). The main objectives of the campaign were presented on a press conference – using a bicycle as an alternative means of transport, reducing traffic jams in Sofia and CO₂ emissions in the atmosphere and in the long run – contributing for a cleaner capital and planet.

The official guests (among them Minister of European Affairs, Bulgarian Business Leaders Forum Executive Director, etc.) declared their support to the initiative by signing certificates of engagement and doing a ride in the City garden with bicycles presented by TNT Bulgaria.

"If more Bulgarians start to ride bicycles thus will impact positively the traffic jams in Sofia. In the Netherlands riding a bicycle is the most popular means of transport during each time of the day – no matter if you go to work, to a date or for a walk in the park," said the Ambassador of the Netherlands in Bulgaria.

In order to stimulate its own employees to protect the environment and to en-

gage them personally with actions resulting in reducing the CO₂ emissions, TNT Bulgaria presented a company branded bicycle to everyone who was ready to replace cars or public transport with a bicycle in order to come to work. Everyone who participated in the project needed to come to work 5 times by a bicycle and to register in the human resources department. Only one week after the start of the campaign almost 50% of the employees joined the campaign and signed their certificates of engagement.

"TNT is a socially responsible company with an attitude towards

“ *TNT is a socially responsible company with an attitude towards the society issues locally and globally* ”

Ivan Vassilev, General Manager, TNT Bulgaria

the basic issues of the society locally and globally. The initiative "Ride a bicycle, arrive on time" is a logical continuation of what we do on a corporate level. We, as a Dutch company, are morally obliged to help the Bulgarian society with our experience" said Ivan Vassilev, Country General Manager of TNT Bulgaria.

The campaign was in place during the whole 2008 and 2009 and at the end the result was 78 bicycles given to employees who supported the idea. It further strengthened our image of a socially responsible company with a strong engagement not only from management side but also from employees. Among our partners and friends who received TNT bicycles were the Ambassador of the Netherlands in Bulgaria, former Minister and Vice Minister of Foreign Affairs, Executive Director of Bulgarian Business Leaders forum and Doychin Vassilev, a renowned Bulgarian alpinist.

Following the success of "Ride a bicycle, Arrive on time", TNT Bulgaria refocused its green bicycle project to its customers and launched a marketing campaign "Get green, Get a bike" at the second half of 2010. The idea of the campaign was to further raise the awareness of the green bicycle initiative and to appeal for a cleaner capital, country and planet by providing customers participating in the campaign an orange TNT bicycles and cycling accessories and encouraging them to use them on their company commutes. The campaign was a very successful one with more than 750 customers taking part in the campaign and joining "the green idea". We were proud to present over 50 bicycles, clearly showing the buy in from our customer base.

"Get Green, Get a Bike" became also the main motto of the special "Sustainability Day" open event, organized by TNT, Shell and Phillips on 22 September 2010, under the patronage of the Embassy of the Kingdom of the Netherlands in Bulgaria.

The visitors of the joint event held at Hilton Hotel in Sofia had the opportunities to learn in detail about the new environment-friendly products and projects of the three companies, and to receive important and interesting pieces of advice on green life first-hand.

TNT Bulgaria Manager Ivan Vasilev presented Dutch Ambassador to Bulgaria Karel van Kesteren and the honoured guests orange TNT bikes. They in return pledged their support for the green cause of the company by signing special commitment certificates and setting personal examples with a short ride around the Sofia Hilton Hotel.

Reducing our CO₂ footprint is essential for the protection of the environment but further to this we have initiated a project to reduce our paper consumption and thus save trees which are the main source of oxygen in our planet. We at TNT know that 1 tone of recycled paper saves 13 trees. It saves also more than 4000 kWh electricity and more than 30 000 liters of water.

Since 2008, TNT Bulgaria has started electronic invoicing for its customers. The company was the first in the transport sector and the second in the country offering e-invoicing to its customers. Since 2010 the e-invoicing percentage of all invoices

has been more than 90%.

In 2009 TNT Bulgaria initiated a project "Paperless office" focused at reducing paper consumption in the office. The first step was to analyze paper consumption in the company and by departments, the second one to ensure storage space (server) and specific equipment (scanners, etc.) for the transition. We have implemented several innovative technologies. E-archiving creates electronic copies of transport documentation using barcodes for identification. Customer interface technologies, which are usually web-based solutions affording customers access to the global TNT systems, facilitate management of customers' shipments and save them financial and time resources. The biggest optimization was in printing adding printing to file options to printing settings. Printers and copiers were replaced with multi-functional devices, the default printing option was double-sided and printing is with individual IDs. The documents that are required to be printed are on a queue and are only printed when personal ID is pressed on the machine which prevents printing by mistake. Further to this there is an optimization in some processes and printing is replaced with scanning. Due to all improvements the paper consumption in 2011 was reduced with about 30% compared to 2010.

At TNT we believe that protecting the environment is one of our priorities. There is still much to be done and our efforts continue. "A journey of a thousand miles begins with a single step" Confucius.



TNT Bulgaria is part of the worldwide network of TNT Express – one of the world's largest express transport companies which provides on-demand door-to-door express delivery services for customers sending documents, parcels and freight. On a daily basis, TNT Express delivers close to 1 million consignments ranging from documents and parcels to palletised freight. TNT Express started its operation in Bulgaria in December 1995 and has become one of the leading express distributors on the local market in the last 16 years, providing the widest range of business-to-business international express delivery services. The company employs about 160 people and has developed a network of 6 own offices and over 20 affiliates covering the whole country.

www.tnt.com/bg

Expanding Environmental Management at UniCredit SpA

by **Giorgio Capurri**
EMS Representative,
UniCredit

UniCredit, one of the largest banking groups in Europe, is operating several environmental management systems, or EMSes, within its territories and legal entities. To carry this out effectively, the Italy-based UniCredit SpA observes the standards outlined in the European Union's Eco-Management and Audit Scheme, or EMAS, which ensures a standardized approach to evaluating and reporting on our Group's environmental performance. UniCredit is the first European financial institution to apply EMAS across diverse facilities and operations on such a large scale. In 2002, our Group first registered as a participant in EMAS. Since then we have implemented internal guidelines to improve our performance. UniCredit's customer rating tools factor in the environmental impacts of our business activities by assessing related risks. At the same time, our Group's upstream efforts have entailed the development of sound environmental and social criteria when selecting our suppliers.

In order to keep pace with evolving approaches to sustainable development, UniCredit updated its environmental policy to incorporate the principles of the UN Global Compact and to promote ecosystem conservation in line with our Group's commitment to uphold UNEP FI's Natural Capital Declaration.

The bulk of our Group's operations in Italy were consolidated under the UniCredit SpA corporate structure in 2010, in line with our One4C organizational restructuring framework. Previously, our EMAS program only applied to our headquarter operations; however, in 2011, we began to expand it in keeping with

UniCredit SpA's wider new scope. Under the new framework, UniCredit SpA now has direct oversight of our entire banking business in Italy, with the EMAS program now being extended to cover operations involving more than 40,000 employees at some 5,000 sites.

When our corporate consolidation began in late 2010, our pre-existing EMS was extended to a growing but limited number of sites. This process, however, proved to be inadequate, as it required a complex and unreliable approach to data collection. As a result, a feasibility study was conducted to assess new methodologies that would cover all of UniCredit's relevant facilities and operations, while remaining in compliance with EMAS standards. By conducting a cluster analysis, we identified a solution that involved auditing our Group's activities just once during each reporting cycle. A dedicated working group was formed with representatives from UniCredit's main business lines, including real estate, organizational management, procurement and risk management. The working group met to agree on the scope of the new EMAS methodology, which was presented to the Comitato Ecolabel Ecoaudit in Rome to discuss its feasibility and expected outcomes. In order to realize synergies with existing data collection processes, UniCredit successfully requested a change in its annual EMAS data reporting period from December to June. UniCredit publishes its annual Sustainability Report and its Consolidated Report in May and presents them at its annual shareholders' meeting. The Sustainability Report undergoes independent assurance by a third party and has an A+ GRI ap-

“One of Europe's largest banks is expanding its EMAS registration to cover all its operations in Italy, making it the largest such program in finance.”

plication level. By using the same verified data set as the report in our EMAS Environmental Statement, we can ensure greater reliability throughout the reporting process. By harmonizing our data collection procedures, UniCredit has achieved greater alignment of the different data sets presented in our Group's stakeholder communications, including the Sustainability Report, the sustainability rating agencies' questionnaires, communications on progress (“COPs”) and the Carbon Disclosure Project.

In 2011, our EMS team's key activities focused on training personnel and implementing the expansion of our EMAS program. We are continuing these activities in 2012. Expanding our EMAS certification involves training our organizational business partners, our colleagues responsible for procurement and office management at thousands of business sites.

To accomplish this, we held six customized, one-day EMAS training programs, providing instruction in environmental data collection techniques and oversight. To date, more than 100 employees have participated in these training sessions. Our Real Estate unit is providing training to its building management staff in 2012, who will in turn implement EMAS measures and assess compliance at the relevant business sites.

One of the key results of our EMAS program's expanded scope was that our Group has had to reassess and redefine the materiality of each of the environmental aspects that had previously been utilized. These aspects covered a broad range of direct and indirect environmental impacts connected to our Group's activities.

The direct environmental impacts are generally related to the physical operations of our offices and branches. As a starting point in assessing these impacts across the new EMAS scope, UniCredit surveyed a sampling of our branches, offices and other sites, categorized according to size, location and function. The survey results identified the relevant environmental impacts of our banking activities that fall within our new organizational framework. In addition, key performance indicators were identified and a data-gathering process was established for each environmental impact.

The expansion of our EMAS program to numerous sites has required the extensive involvement of our Real Estate unit. Personnel from this unit are responsible for managing our facilities and are the relevant data owners. A comprehensive evaluation of all environmental impacts was developed from the data collected, which then served as the basis for our environmental analysis.

The indirect environmental impacts covered by our EMAS program, on the other hand, are related to both the downstream and upstream effects of our business activities. Thus we developed a revised EMAS methodology that incorporates environmental considerations into our procurement, credit processing, export finance and project finance activities, among

others. Most of these activities did not fall within the operational scope of UniCredit SpA prior to our One4C organizational changes. Applying the EMAS standards to these activities has demanded the involvement of a number of our business units and functions.

Among these activities, procurement was least affected, given that a Groupwide policy had already governed these processes. The selection criteria for our suppliers did not require amendment and had already been applied to the relevant activities. Credit processing, however, underwent significant revision, given that the Groupwide customer rating tool was the only aspect of these activities that had previously been aligned with EMAS.

Prior to the organizational restructuring, UniCredit SpA was a holding company with the primary task of steering and coordinating our Group's activities, with limited direct involvement in daily operations. Today it is a very large and diverse entity, more complex by several orders of magnitude than it was previously. The changes have required a dramatic expansion and upgrade of our EMS in a process that has not been lacking for challenges. But the results to date have been more than satisfactory, representing a significant step forward in our Group's culture of sustainability.

Third-party verification of our EMS is underway at the time of writing of this article. The process will occupy several weeks as a significant number of sites are audited at random.



UniCredit is one of Europe's leading commercial bank with strong roots in 22 European countries. Our network, which is present in roughly 50 markets, includes about 9,500 branches and more than 159,000 employees (as of March 30, 2012).

In the CEE region, the Group operates the largest international banking network with over 3800 branches. UniCredit operates in the following countries: Austria, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Germany, Hungary, Italy, Latvia, Lithuania, Kazakhstan, Kyrgyzstan, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine.

www.unicredit.it

Building and District Eco-Design

by **Maxime Trocmé**,
Environment & Scientific Manager,
VINCI



Context

Nowadays, we are facing the challenge of global warming and depletion of natural resources. Therefore, there are growing expectations regarding buildings eco-design for the following reasons:

- Anticipating new regulations (for instance, in 2012, new French buildings will have to reach a primary energy consumption of 50 kWh/m² for heating, air conditioning, lighting, and ventilation);
- Risk of depreciation of new buildings which are not build according to high environmental standards;
- Increasing prices of energy;
- Corporate social responsibility.

Environmental impacts (and therefore eco-design) of projects is a growing issue for VINCI's clients (cities, companies, etc.) from the initial design phase. As an example, a Life Cycle Assessment was expressly requested in the requirements of the Nice stadium Public private Partnership.

VINCI uses a methodology and an eco-design tool which was designed in the University Mines ParisTech: EQUER. This tool is recognized by the scientists but also by construction professionals such as architects. It enables VINCI to study the building energy consumption and to evaluate the environmental impacts during their life cycle. An extension of this tool to the district scale is developed within the Chair "eco design of buildings and infrastructure". The Chair offers ParisTech schools the opportunity to expand research and education in eco-design with VINCI's financial support.

This tool can bring answers to questions like "Does this solar panel saves more CO₂ during its life cycle than was produced during its manufacture?". «Is energy invested in this insulation material worth the building heating energy savings?».

Eco-design methodology

Life Cycle Assessment (LCA) of a building consists in evaluating its environmental impacts taking into account its:

- Construction : materials extraction and production;
- Use: energy and water consumption, domestic waste, user transport;
- Renovation: exchange of building materials (e.g. windows and painting);
- Demolition: landfill, incineration, recycling.

Environmental impacts are quantified for each phase of the life cycle. In this process, VINCI evaluates twelve indicators and, most of the time, communicates the results on the six following impacts (considered as the most relevant for the VINCI's clients):

- Primary energy consumption (unit: kWh)
- Global Warming (kgCO₂eq)
- Waste creation (tons)
- Depletion of abiotic resources (-)
- Water consumption (m3)
- Human toxicity (kg)

Life Cycle Assessment is an international method that is standardized by the ISO 14 040 series.

From architectural data to 3d model

The first step of the study is to define the architectural data of the building in a 3d model. At this stage of the assessment, materials, building shape and site are known.

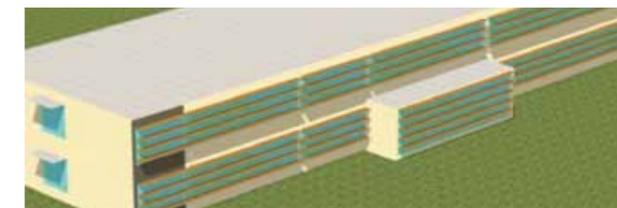
The second step is the dynamical thermal simulation. The tool evaluates the energy loads of the building (heating, cooling and lighting). It also generates hourly temperatures of the different building thermal zones so that comfort can be evaluated precisely. The simulation takes into account the solar gains (for instance if surrounding buildings block the solar gains of the project).

The last step is to evaluate the environmental impacts of the building in order to assess various alternatives of a project.

Example of building eco-design

The project is a public laundry plant. The client is a major suburb city near Paris. The focus of the study is the 1000m² office/administrative building part of the plant. The study occurred in the frame of an open tendering.

There were originally no environmental targets. The project had to reach the French energetic regulatory level. Ambitious energy targets (50 kWh/m²) were set by the conception team with a will of evaluating environmental aspects and taking them into account in the design process.

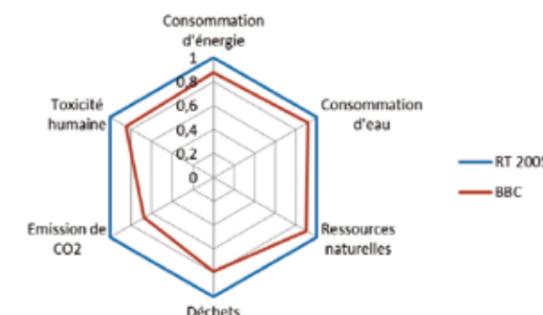


This target was set by the conception team in order to differentiate from competitors and to be chosen by the client.

The aim of the study was to evaluate environmental impacts over the life cycle and several solutions. EQUER was chosen. It is the only integrated LCA tool. For instance, environmental impacts of a change of material can directly be evaluated on the building life cycle which is not possible with other tools. Moreover it is the only tool that is linked to a dynamic thermal simulation. This aspect was crucial as the laundry has a really specific use.

The tool was used by VINCI eco-design team in close relation to the architects and technical and commercial department.

The use of EQUER allows VINCI to evaluate the environmental benefits of this proposal. Solar protections on the building lowered cooling loads considerably. The assessment showed a 33% drop of the CO₂ emissions without affecting the other environmental issues; this had a direct impact on the client (original alternative, the reference, is represented in blue on the graph whereas the project is in red).



In this project, the architects, commercial and technical teams worked together from the early beginning. This allowed us to

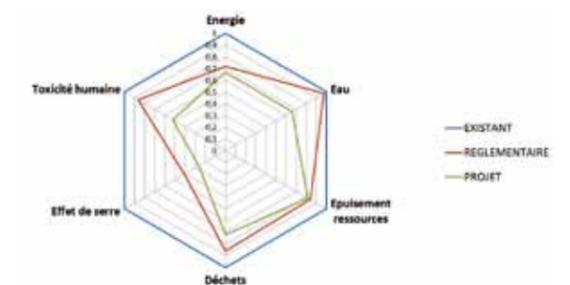
study environmental cost or benefits easily and with great influence.

Example of district eco-design

The eco-design department used the LCA tool EQUER on an entire district of Meudon in the Parisian suburbs. It aimed to evaluate and improve the environmental performance of buildings and public spaces of the project for a given district map. In addition of the buildings, this study included public spaces and focused on the lighting, the ground permeability and the retention of rain water.

These studies succeed in validating the choices of the design team. Beside, it will enable to increase the awareness of the city council and to prove the environmental validity of the project.

On the graphic below, the project alternative (in green) can be compared with the mandatory alternative (in red) and with an average existing French district (in blue). In this particular project, green house gases emissions are divided by 4 compared to an existing district performance.



VINCI is the world leader in concessions and construction, employing close to 180,000 people in some 100 countries. VINCI designs, builds, finances and manages facilities for everyday life: transports, public and private buildings (to live or work in), urban infrastructures, water, energy and communication networks.

www.vinci.com

MANAGING SUSTAINABILITY WITHIN THE SPHERE OF INFLUENCE

Sustainable development would not only involve ecological practices that enable meeting the needs of future generations, but also a change in production and consumption patterns in an equitable manner. It requires the implementation of sustainable practices into business strategies and operations mainly with reference to people management. It also requires a sustainable management of the corporate supply chain and the promotion of a sustainability culture within the context in which the company operates.



Take Your SEAT, Please!

by **Jon Samuel**,
Head of Social Performance,
Anglo American



In a world of increasing societal expectations to contribute to sustainable development and an ever growing importance to obtain a social license to operate which goes beyond any formal licenses in the natural resource sector, Anglo American's Socio-Economic Assessment Toolbox (SEAT) represents a unique attempt by a major company to incorporate impact assessment into the ongoing management of major operations. Developed in 2002 and revised extensively in 2012 following internal and external evaluation, SEAT is applied at every Anglo American mining operation around the world every three years. SEAT has the following objectives, which support the delivery of the Millennium Development Goals:

- Build internal capacity for handling stakeholder relationships and community development;
- Improve corporate risk management by identifying key impacts and sharing good practices;
- Improve the management of socio-economic impacts on host communities, with a strong focus on using core business to deliver developmental benefits; and
- Demonstrate accountability and commitment to stakeholders.

The seven step process provides an analytical framework for assessing an operation's socio-economic benefit delivery and improves risk management by identifying key social and economic impacts and issues. It requires Anglo American's mines to:

1. profile their operations and the associated host communities (to produce a regularly updated socio-economic baselines);
2. identify key stakeholders and local communities involved and liv-

- ing around the mines;
3. identify and assess the social and economic impacts of Anglo American's operations;
4. improve the management of social performance;
5. promote socio-economic initiatives in the local communities living around the mines;
6. develop a management and monitoring plan for key issues; and
7. share results of the SEAT process with the stakeholders.

A wide range of guidance is provided, for example on how to: enhance local employment and procurement; identify and prevent local conflicts; involve stakeholders in emergency planning; engage with Indigenous Peoples; plan for mine closure; invest in community development initiatives; support sustainable energy or water and sanitation schemes; and enhance the capacities of local institutions.

SEAT has been applied at over 50 operations in 16 countries from Australia to Zimbabwe. It is particularly important that SEAT assessments involve a broad range of disciplines (e.g. supply chain, human resources, safety and sustainable development, risk management) and mine management to ensure that socio-economic performance management is effectively integrated into operational management. Several recurring

themes have been identified over time, almost regardless of local socio-economic circumstances. These include: a desire for access to employment, training and procurement opportunities; concerns about the availability and quality of public services (such as education and health); a desire for more information on environmental

“*The Socio-Economic Assessment Toolbox represents a unique attempt by a major company to incorporate impact assessment into the ongoing management of major operations*”



impacts and long-term investment plans; issues with the quality, affordability or availability of employee and community housing; and the level and effectiveness of support for community development initiatives. To respond to these challenges, we have implemented Group-wide policies on social performance and established global partnerships with CARE International, Fauna and Flora International and International Alert to ensure that our activities reflect best practice.

The rationale for SEAT is self-evident: an independent survey carried out by the US-based NGO Business for Social Responsibility (BSR) on behalf of the company found that around 80% of interviewed stakeholders at sites around the world believe that trust levels have improved. Furthermore, SEAT helps to ensure that social investment is well targeted and projects are well designed, because there is a better understanding of impacted stakeholders' concerns and priorities. In Anglo American's Barro Alto nickel mine and its associated smelter located near the small town of Barro Alto in Goias State, Anglo American has been supporting local training and capacity building since 2006, in partnership with local NGOs and government organisations, to enable local communities to obtain the skills required to be employable at the Barro Alto operation. SEAT has played a central role in guiding the development of these programs. As a result of these efforts, approximately 80% of the operational workforce at Barro Alto is regional. Broader capacity building and entrepreneurial programs are also supported, including the development of the rubber industry and the improvement of agricultural techniques amongst local farmers to support local economic diversification and provide sustainable livelihood options beyond the life of the mine.

In 2012, SEAT won the International Association for Impact Assessment's "Corporate Initiative Award" in recognition of its unique approach to integrating ongoing impact assessment into the management of major industrial projects. Anglo American has responded to growing stakeholder interest in SEAT by making SEAT 3 publicly available. We also hope that this knowledge sharing will make a significant contribution to the field of sustainable development

beyond the mining industry, as it allows a good practice initiative to be scaled up by making it freely available.

Future developments

Anglo American is currently launching SEAT 3, which has been developed with contributions from our core NGO partners: CARE International, Fauna and Flora International and International Alert. SEAT v3 will be ready for Rio+20, at which point the company plans to make the toolbox freely available via its website in English, Spanish and Portuguese as a contribution to the promotion of responsible business practices.



Anglo American is one of the world's largest mining companies, is headquartered in the UK and listed on the London and Johannesburg stock exchanges.

Anglo American's portfolio of mining businesses spans bulk commodities – iron ore and manganese, metallurgical coal and thermal coal; base metals – copper and nickel; and precious metals and minerals – in which it is a global leader in both platinum and diamonds.

Anglo American is committed to the highest standards of safety and responsibility across all its businesses and geographies and to making a sustainable difference in the development of the communities around its operations.

The company's mining operations, extensive pipeline of growth projects and exploration activities span southern Africa, South America, Australia, North America, Asia and Europe.

www.angloamerican.com

Joining the race to make the world a better place

2012 - 2015 Action Plan for 'Cerisier en Fleurs'⁽¹⁾ Initiatives

by **Michela Cocchi**, CEO and **Daniela Nastasia**, Lawyer Associate, Avvocato Michela Cocchi - Studio Legale

"Effective rule of law, including respect for property rights and access to justice, remains fundamental for sustainable development"
(Robert Zoellick, World Bank President, November 2010)

As lawyers, we have a significant role to play in advocating and building awareness of the United Nations Global Compact – UNGC's corporate citizenship principles and promoting the activities of other signatories worldwide.

In this regard, we have tackled priority areas that are central to corporate leadership today and essential for the transformation to sustainable markets.

Within the international framework, very few economic sectors have revealed as much economic potential as the CCIs have over the past few years.

Among cultural and creative areas, we focus upon the so called F.A.M.E. (Fashion – Art – Music – Entertainment) industries and, in particular, fashion sector².

The fashion industry is one of the world's largest industries and one of the most polluting and socially challenged. The impact on our planet has reached its maximum. This calls for action.

"It is the absence of broad-based business activity, not its presence, that condemns much of humanity to suffering"
(Former UN Secretary-General Kofi Annan, September 2005)

You and I count, we want to count: it is the difference between being involved and being committed.

Our key-word: CLEANLINESS. What does it mean?

For us, it is about:

VISION
CREATIVITY
INNOVATION
BUSINESS

Get into the good Scene Providing Legal Solutions to Development Challenges

DEVELOPMENT
CULTURE
EDUCATION
WOMEN
ENVIRONMENT
CONFIDENCE
INTEGRITY
REPUTATION

A fundamental redesign of the fashion industry is possible, which will enable individuals to express their personal style through fashion, and for businesses to profit, while progressively reducing negative impacts³.

We want us to remain at the forefront of the international CSR agenda: our 2012-2015 action plan should be viewed as a response to the international development, upon which it is based. In June 2011, the UN's new guiding principles on business and human rights were adopted unanimously by the UN Human Rights Council. As a new feature, the guiding principles provide a framework for the responsibility of Member States to protect Human Rights and responsibility of companies to respect Human Rights in their business activities. The principles moreover state that mechanisms must be put in place to deal with Human Rights violations.

At the same time the OECD launched its revised guidelines for responsible business conduct by multinational enterprises. The new guidelines place more emphasis on Human Rights, and the OECD has incorporated the UN's guiding principles on business and Human Rights.

The European Commission's New CSR Strategy - launched on 2011 October 25th - contains priorities for 2011-2014, taking into account the international development and the general Europe 2020 strategy for intelligent, sustainable and inclusive

"... a tiny ripple of hope"
(Robert F. Kennedy, June 1966)

growth. The CSR strategy contains obligations to support increased public visibility and promotion of corporate social responsibility, improve the trust in company activities.

Nations are reexamining the relationship between law and fashion, within which IP (Intellectual Property) and Gender parity⁽⁴⁾ issues gain characteristic momentum on the global stage.

Our activity for fashion sector illustrates once again how law practice can be used to raise awareness of UNGC Principles issues and promote respect for them.

For us, embedding human rights and UNGC Principles in business is no more an optional policy choice or a gesture of charity: it has become an instrument to give legitimacy to the investments of our clients, and protect them⁽⁵⁾.

Our programmes emphasise UNGC Principles, that within their sphere of influence, businesses should support and respect. Within these programmes and services, the inclusion of media, government and NGOs⁽⁶⁾ creates a network not only for support, but also for constructive critique and improvement, that differentiates the strategic use of corporate social responsibility from general philanthropy.

Also with reference to fashion industry, our grid of provided services follow the traditional grid of our Business and Human Rights Department, that comply with the UNGC Framework, according to a step-by-step path:

I - Getting Started

II - Strategy

III - Policy

IV - Processes Et Procedures

V - Communications

VI - Training

VII - Measuring Impact Et Auditing

VIII - Reporting

Having participated in 2012 Copenhagen Fashion Summit⁽⁷⁾, the world's largest and most important Conference on sustainability and CSR in the fashion industry, we have already adopted the Nice Code of Conduct and Manual for the Fashion and Textile Industry⁽⁸⁾, which has been launched at the Summit in an innovative partnership with the UN Global Compact.

Among our activities for the fashion sector, due to its peculiarities, we prominently face the structural difficulty for the firms at the end of the supply chain to control the upstream process.

The environmental and social challenges around the global fashion supply system and, in particular, the apparel one, affect the entire industry.

These challenges reflect systemic issues which no individual company can solve on their own.

As lawyers, through our practice, we are called to actions for the development of credible, practical, and universal standards and tools for defining and measuring environmental and social performance.

Our Why:

- Building Awareness

Our What:

- Offering Support

- Providing practical legal contributions to development challenges and improving the legal and judiciary systems, which form the intangible infrastructure for sustainable development

Our How:

Towards 2015,

- Policy Design and Implementation

- Business Implementation and Campaign Piloting

Stay connected

(1) 'Cherry Blossom Law' – 'Cerisier en Fleurs' is an expression we coin to refer to our initiatives devoted to Cultural and Creative Industries (CCIs). See D. Nastasia – M. Cocchi, 2011 Trend: "Cherry Blossom Law" Initiatives, The European UN Global Compact Companies Towards Rio+20 A Best Practices Collection, October 2011, Global Compact Network Italy.

(2) See L. Facco – M. Cocchi, Women, Fashion, Art, Human Rights - Elements of a Law Practice, presented at 53rd Seville UIA Congress within Business and Human Rights Working Session, 2009, UIA - Union Internationale des Avocats at www.uianet.org.

(3) See "The Nice Consumer – Framework for Achieving Sustainable Fashion Consumption through Collaboration" at www.nordicfashionassociation.com and www.nicefashion.org.

(4) The most important determinant of a country's competitiveness is its human talent - the skills, education and productivity of its workforce. And women account for one-half of the potential talent base throughout the world. While closing gender gaps is a matter of human rights and equity, it is also one of efficiency. There is new research on the growing 'power of the purse' and how this will be among the drivers of growth in the post-crisis economy. The combined impact of growing gender equality, the emerging middle class and women's spending priorities will lead to rising household savings rates and shifting spending patterns that are likely to benefit sectors such as, among others, fashion and apparel.

(5) See D. Nastasia – M. Cocchi, 2011 Trend: "Cherry Blossom Law" Initiatives, The European UN Global Compact Companies Towards Rio+20 A Best Practices Collection, October 2011, Global Compact Network Italy.

(6) "Avvocato Michela Cocchi - Studio Legale" is member of UIA - Union Internationale des Avocats: see at www.uianet.org. UIA has consultative status with ECOSOC. Within UIA activities, for 2007, Michela Cocchi has chaired Business and Human Rights Commission, is UIA representative at WIPO - World Intellectual Property Organization, UIA representative at UN-CSW - United Nations Commission on Status of Women, UIA representative at UN-OHCHR - United Nations Office of the High Commissioner for Human Rights.

(7) See at www.copenhagenfashionsummit.org.

(8) An initiative of the Nordic Initiative Clean and Ethical (NICE).



Avvocato Michela Cocchi - Studio Legale was founded in 1994 in Bologna, Italy where it is still headquartered, growing geographically across national and international marketplace as well as expanding its services entirely

and uniquely focused upon lawyers practice.

Independence is its key word.

Today, it operates in over 110 countries, counting hundreds relationships with local law firms, bar associations, organizations, and federations, and representing any sized business entities from all areas of the world and economic sectors.

Since 2009, the firm has participated in United Nations Global Compact – UNGC and for 2011 it has been signatory of the Statement of Support for the UNGC – Women's Empowerment Principles.

Increasing the Sustainability of Pasta Production

by **Marco Silvestri**,
Research Manager
and **Cesare Ronchi**,
Purchasing Senior Manager,
Barilla G. e R. Fratelli

The sustainability of the supply chain is a fundamental priority on which companies in the food sector must take action. For this reason Barilla has undertaken many studies aimed not only at quantifying and reducing its environmental impact but also at identifying the whole Sustainability of each step of the production chain, considering environmental, social and economic perspectives.

Barilla "integrated supply chain" model

The production chain is a complicated network of interconnected businesses and activities related to the production and sourcing of raw materials, their processing towards finished products production and distribution.

The continuous improvement of the sustainability of our strategic supply chains is implemented through projects and initiatives developed together with our partners along the supply chain.

Durum wheat, common wheat and tomatoes are three of Barilla's most important and strategic supply chains since those raw materials are main ingredients of pasta, bakery products and sauces.

As for durum wheat, Barilla operates by integrating with the various stages of the production chain. Unlike the conventional supply chain concept where players follow each other in a top-down flow, the company's supply chain model has a circular structure in which players that operate at different chain stages are involved in a shared project. Barilla Research programs and collaboration with breeding companies represent the first step of this system: new and dedicated durum wheat varieties are developed to meet production requirements and Barilla's quality standards (e.g. Svevo, Normanno and Aureo), in an advanced and conventional way. The innovation embedded into those varieties is transferred to farmers through the seeds that are supplied as part of a cultivation agreement with Barilla, which use the durum wheat produced for its pasta production closing the Integrated supply chain. Several tools have been developed to manage this system, starting from the development of the Handbook for Cultivation and Storage of Quality Durum Wheat to

specific and innovative cropping contracts.

Through mutual collaboration of production chain players Barilla aims to manufacture safer, superior and more sustainable products.

Sustainability of cropping systems for durum wheat production in Italy

In order to assess our full environmental impact, Barilla carried out LCA (Life Cycle Assessment) analysis, using Carbon Footprint, Water Footprint and Ecological Footprint as indicators (see *LCA measurement to lead environmental improvement*).

Barilla carried out this study at first on durum wheat pasta to evaluate the footprints of durum wheat cultivation and milling, pasta production, transport, packaging production and cooking for consumption. Results of this study have been published on Durum wheat at semolina dry pasta Environmental Product Declaration (EPD).

The study underlined that the cultivation stage of durum wheat is the most significant in terms of emissions together with pasta cooking (Figure 1). The manufacturing of packaging and transport contribute the least to greenhouse gas emissions (less than 5% each).

The major impacts associated with farming activities are due to the use of nitrogen fertilizers and mechanical operations, in particular for working the land.

Figure 1



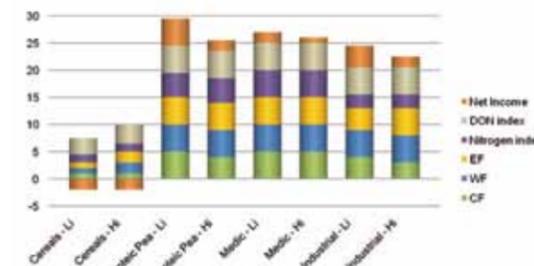
Since it has been widely demonstrated that farming is the most of pasta environmental impact, Barilla undertook a specific project using LCA methodology to analyze different cropping systems for durum wheat production. Carbon, Water and Ecological Footprints were integrated with specific economic and agronomic indicators, in order to provide guidance on the "sustainability"-including the "feasibility"- of cropping systems that can represent alternatives for the cultivation of durum wheat in Italy, maintaining and improving quality and food safety standards of the products.

The system boundaries includes important elements, such as crop rotation, tillage activities, crop yields, fertilizers, herbicides and pesticides use, including relative emission to air and water. The durum wheat cultivation was analyzed by identifying different cropping systems currently followed in the three main geographical Italian areas: Northern Italy, Central Italy, Southern Italy. The standard cropping system is a four-year rotation in which the cultivation of different crops, other than Durum wheat, are involved.

The study showed that it is possible to reduce greenhouse gas emissions and other environmental impacts of their farming practices without compromising product quality, all the while improving profitability.

The aggregated analysis conducted integrating LCA methodology, agronomic knowledge and economic aspects led to identify the Durum wheat crop systems that are more sustainable compared to the current practices. In monoculture or rotations only with cereals (e.g. common and durum wheat, corn and grain sorghum) have the most impact in terms of greenhouse gas emissions. On the other hand, in case of rotations with dicotyledons, especially forage or protein crops, the "environmental cost" decreases significantly together with a profitability improvement (Figure 2)

Figure 2 - Effects of cropping systems on sustainability indicators. Two scenario Low Input (LI) and High Input (HI) were considered



Taking a closer look at the study results, it can be highlighted that in Northern Italy the possible improvements over the current situation are not significant, and investments could not be justified. In Central Italy expected improvements over the most diffused cropping methods could be really significant, while in Southern Italy possible improvements could produce both environmental and economic benefit. Lastly, the study demonstrates that agronomic and environmental improvements can bring also an higher farmer's net income. In other words, a concrete commitment towards sustainability

can lead to improvements under the economic, social and environmental point of view.

Finally, analysis outcome should constitute a basis in the integration of crop guidelines adopted by Barilla, in order to promote activities aimed at developing a more sustainable way of cultivating Durum wheat

The results of this study were published in the Handbook for sustainable cultivation of quality durum wheat in Italy, which was distributed to farmers. This document is intended to serve as tool to disseminate knowledge and practical suggestions. It contains several guidelines concerning issues of crop rotation, soil tillage, nitrogen fertilization, sowing, and weed and pest management. The project's ultimate goal is to take "sustainable agriculture" to a large scale by signing contracts with farmers that encompass sustainable practices.

Next steps: future activities

The project will be extended to Several Mediterranean regions. As already done in Italy, Barilla will undertake a preliminary study to "take a picture" of the environmental, social and economic impacts of the standard cropping system, followed by alternative cropping systems identification with the aim to understand and promote possible improvement scenarios.

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Barilla
The Italian Food Company. Since 1877.

Barilla, originally established in 1877 as a bread and pasta shop in Parma, is today one of the top

Italian food groups: a leader in the pasta business worldwide, in the pasta sauces business in continental Europe, in the bakery products business in Italy and in the crispbread business in Scandinavia. The Group employs more than 13,000 people and in 2011 had net sales of euro 3.916 million. Barilla owns 41 production sites (13 in Italy and 28 outside Italy), of which 9 are directly managed mills that provide most of the raw materials for the production of its pasta and bakery products. Barilla exports to more than 100 countries. Every year about 2,500,000 tons of food products, with our brands, are featured on dining tables the world over.

www.barillagroup.com

Integrated, Sustainable and Responsible Management of the Supply Chain

by **Ángela M^a, Montenegro Martínez**
Organization, Human Resources and Corporate Social Responsibility Director,
Contratas y Obras



The commitment to excellence started more than a decade ago when Contratas y Obras (CyO) obtained its first management system certification (ISO 9001, back in 1998). From then on, CyO has played a leading role within the Spanish construction field with regard to a sustainable and ethical business model. Thus, later on other certifications were obtained: environmental management, ethical and social responsibility, occupational health and safety, and finally R+D+i. It has also been granted other specific checks: Madrid Excellence, Distinction of Equality, amongst them. Currently, all these management systems are completely integrated and working.

The model of integrated, sustainable and responsible management of the supply chain has its origin in Our Ethical Code, the tool for CyO to transmit its corporate values to its stakeholders. It is developed under its management systems requirements and is one of the bases of its Sustainability Strategic Plan (2010-2013). The aim of the model is to encourage responsible management, ensuring a stable and beneficial relationship with its suppliers while keeping the corporate values safe. The strategic aim of the project is to improve competitiveness by working along with the best suppliers.

This management tool objectively assesses the suppliers from a Corporate Social Responsibility point of view.

Stages of the project

1. Implementation of the assessment and selection procedure. The procedure defines the minimum requirements suppliers must fit in with. These requirements are lined-up with the corporate

values of CyO. The aim of this stage is to get to know the suppliers better.

Tools:

- Suppliers' selection.
- Initial assessment questionnaire.
- Our Ethical Code and management policies presentation, for suppliers to know the corporate values and management tenets.
- Communication channels information.
- Ethic Committee presentation.

2. Classification and monitoring. The aim of this stage is to determine the maturity state of the supplier, checking it has followed all the requirements.

Tools:

- Half-yearly assessment according to several criteria:
 - Quality: work quality, deadlines fulfilment, performance, technical capacity
 - Safety: legal fulfilment, safety procedures at work
 - Environment: environmental requirements fulfilment
 - Ethics: transparency, truthfulness, work environment

3. Dialogue and know-how and information exchange. It is essential to ensure a proper risk control along the supply chain, in order to improve the business relationship, by sharing the same values and management standards.

- Periodic training to the suppliers.
- Best Environmental Practices at worksite Guide.
- Environmental and safety awareness campaigns at worksites.
- Getting trained by the suppliers (technical training, commonly).

“The model has proved an effective management tool that provides both a broad and a thorough approach to the suppliers”

4. Integration of the supplier into the 'sustainable and ethical construction' culture. Supplier engagement in R+D+i, sustainability and social action projects through the CyO Foundation.
5. Balanced suppliers' scorecard. This tool is aimed at establishing the risk level of each supplier, in order to set up a personalized relationship with them.
 - Risk level takes 3 parameters into account: turnover, specific risk depending on the supplier's activity (environmental and social impact), and a criticality factor set by CyO.
 - Additional assessment from the Purchasing Department, according to the following criteria:
 - Service or product quality
 - Deadline fulfilment
 - Technical capacity
 - Customer support
 - Stock
 - Flexibility
 - Ethics
6. Model maturity and performance assessment. Analysis of the development, performance and situation the suppliers according to four parameters:
 - Leadership: support to Corporate Social Responsibility and sustainability initiatives (such as the UN Global Compact).
 - Dialogue: participation and presence in Corporate Social Responsibility and sustainability networks or working groups.
 - Management: implementation of Corporate Social Responsibility management to other management systems, thus ensuring Corporate Social Responsibility is integrated and not peripheral to the business.
 - Transparency and communication: Corporate Social Responsibility and sustainability reports publication, or similar initiatives.

State of the project

Up to this date, the first five stages are totally implemented and working to different extent.

1. Implementation of the assessment and selection procedure. Fully operating.
2. Classification and monitoring. Fully operating.
3. Dialogue and know-how and information exchange. Fully operating.
4. Integration of the supplier into the 'sustainable and ethical construction' culture. 60%, an impact assessment is needed.
5. Balanced suppliers' scorecard. All active suppliers should have reached this stage by late 2011.
6. Model maturity and performance assessment. Implementation expected in short term (2012).

A future step is to create a website for CyO's suppliers for them to manage invoices, orders and offers. The site is being designed ensuring transparency and opportunities equality.

In short, this supply chain management model allows a weaknesses and strengths analysis for each of the suppliers, in order to establish a personalized action plan which can stress the weaknesses, helping suppliers in their development (training...), or the

strengths (audit...), or which can engage the supplier in the social action of the Company.

The model has proved an effective management tool that provides both a broad and a thorough approach to the suppliers, allowing a proactive performance lined-up with a joint continuous improvement and a better quality final product.

The added value of the model has yielded several profits to CyO's business:

- Sustainable and profitable supply chain.
- Stable relationship with suppliers.
- Strategic joints.
- Financial stability for the suppliers.
- Positive assessment of the Company and its sustainable and ethical values and culture by its suppliers.
- Image and reputation care.
- Risk control in the supply chain.
- Truthfulness and confidence for the Company's clients.
- Positive assessment by clients.
- Contratas y Obras is currently taking part in the tRanSparÈncia (transparency) project, promoted by Global Reporting Initiative. The aim of this project is to boost Corporate Social Responsibility policies along the supply chain. tRanSparÈncia helps SME's implementing Social Responsibility-based management systems. Contratas y Obras and 5 of its suppliers are taking part in the project.
- At the CyO New Headquarters construction worksite, it has been built a social marketing Panel through which CyO's suppliers are advertised while allowing them to take their first step into Social Responsibility, by sharing CyO's commitment to social action and taking co-responsibility in the development of these supportive projects.



Contratas y Obras is a company committed to the ethical and sustainable development of its business: construction, refurbishment and restoration, civil engineering, building design and maintenance, mainly. The company was founded in 1978 in Barcelona, and its activity currently covers the Spanish territory, the Mediterranean countries, Eastern Europe and Latin America.

Among the major recent milestones: the achievement of the Distinction of Equality by the Ministry of Equality (2011), the LEED Platinum pre-certification and the National GreenBuilding Award (Best new Building category) for the company's New Headquarters project, and the Ruban d'Honneur (Environmental awareness category) by the HSBC-sponsored European Business Awards (2010).

www.contratasyobras.com

“Experienced into the Future” at Daimler AG

by Jörg Ilg,
Flexibility Management,
Daimler AG

Demographic changes are currently one of the most important topics for strategic management at global companies. Daimler has been working on demographic issues for 10 years, as part of which it has started an initiative entitled “aging workforce”. The average age of Daimler’s global workforce is 42 years, with age structures varying between countries.

In Germany, Daimler is confronted with the demographic challenges of an aging workforce in the companies on the one hand and a shortage of young talent on the external labor market on the other. The average age in Germany is now 43 years and will continue to rise steadily. Employees aged 50 years and older currently make up about 30 percent of our permanent workforce in Germany, and this percentage is set to increase over the next ten years. Changes to collective bargaining agreement conditions and the legal framework, such as setting the retirement age at 67, are exacerbating this demographic trend. This presents two main challenges: managing the aging workforce – for example, by taking advantage of employees’ knowledge gained from long experience and by responding to changes in their capabilities – and the need to secure young talent and retain our employees’ experience-based know-how. Faced with these challenges, the generation management function at Daimler defined prioritized activities in the following fields:

- Corporate culture and management processes;
- Work organization and staff deployment;
- Securing young talents and HR resource management;
- Staff training and development;
- Health management;
- Workplace design and ergonomics;

- Old-age pensions and retirement options.

By defining the slogan “Experienced into the future”, Daimler is emphasizing all aspects of an aging workforce. The considerable number and diversity of measures implemented reflect the wide range of generation management activities. There is no one single measure that Daimler takes to address the issue of demographic change. Rather, it seeks to fine-tune the package of implemented activities to ensure that they meet its specific requirements. The following describes several examples of generation management activities at Daimler.

HR resource management

In light of the challenges of demographic transition, new drive concepts and innovative technologies, the demands placed on the qualification and flexibility of Daimler’s workforce will be subject to a process of increasing transformation. HR resource management is a method employed by Daimler to predict the impact of strategic and demographic developments on the occupational structure of its workforce. Targeted measures can be derived

on the basis of detailed simulation results.

Simulations of workforce structures factor in demographic effects such as staff turnover and the number of people retiring. The time horizon for the forecasts extends for up to ten years. Capacity deficits and surpluses at the job profile level are identified by comparing the inventory and the development of demand.

The approach of HR resource management enables Daimler to initiate specific measures to ensure that the structure of its workforce is consistent with its requirements, for example:

- Vocational training and recruitment;

“Experienced into the Future” – Daimler AG’s generation management promotes the sustainable maintenance of the performance and health of the workforce”

- Training and development programs;
- Staff relocations and flexibility strategies;
- Flexibility (e.g. flexible working hours, temporary staff or employees on fixed-term contracts);
- Capacity reductions in job functions with excess coverage.

One of several HR resource management measures are the demographic-based career paths which include retraining older assembly production workers and deploying them as plant maintenance workers in body construction. The aim is to assign the employees to tasks and functions that match their skill sets and abilities and are consistent with their age group.

Daimler has successfully applied HR resource management at several locations in blue and white-collar areas, and tested it at an international plant.

Workplace design and ergonomics

The majority of employees at Daimler work in production. This makes designing ergonomic workplaces one of the key issues to maintain the health and performance of the blue-collar workforce. Daimler implemented a well-established process to perform ergonomic assessments starting in the early product phase and continuing through the concept phase to the start of production. Once series production is running, workplaces are also assessed by continuous improvement processes.

Several measures support that process:

- A standardized software toolbox based on well known and established methods and algorithms;
- Ergonomics as part of the Daimler risk assessment process;
- Qualification of employees regarding ergonomic design and assessment of workplaces. Over 200 workplace designers, physicians and improvement managers were qualified in 2011/2012;
- Qualification of employees regarding the ergonomic usage of tools such as torque tools, training of left and right-hand assembly processes;
- A Daimler network including plant representatives of all business units to make sure that continuous improvements meet the demands of cars, trucks, buses and vans.

All of these key points support the company in its efforts to achieve one goal: that there be no workplace that has not undergone an ergonomic assessment, therefore posing a serious risk to health.

“Kraftwerk Mobil” exercise machine used to improve health in the workplace

In addition to workplace-based measures aimed at improving ergonomics, a number of health promotion programs have been initiated for our employees in the past. For example, Corporate Health Centers have been set up at a number of plants, allowing employees to work on and improve their personal fitness. As these fitness centers are yet to reach all of our employees, we have extended the program with the “Kraftwerk Mobil” program (which means “Mobile power-station”), which provides mobile training equipment to exercise the back muscles that can be used directly at the respective workstations. This allows employees to improve their physical fitness on a

voluntary basis with the help of trainers. “It’s fantastic that we can exercise where we work. I’ve suffered from back problems in the past and must say that I feel much better after exercising”, enthused an employee from the assembly area. With the “Kraftwerk Mobil” program, we have persuaded a number of employees to take an active interest in their health and keep fit in their private lives. Due to this positive impact, the “Kraftwerk Mobil” concept has already been applied at most of Daimler AG’s locations.

Implementation strategy and evaluation of activities

Daimler decided to support these activities by defining generation management as a strategic HR initiative in 2011. The implementation organization is led by a steering committee, which is represented by the Chief Human Resources Officer Mr. Wilfried Porth and the Chairman of the Works Council Mr. Erich Klemm. This steering committee is responsible for the strategic orientation of the demographic measures, and has defined several work packages. In order to evaluate the effectiveness of all of its activities, Daimler supplemented the ongoing reporting of our age structure data by introducing another KPI that describes aging effects in 2011.

Conclusion

The purpose of all activities is the sustainable promotion of a high-performing and healthy workforce, strengthening personal responsibility and improving productivity within an environment of demographic change. Only a competitive company can ensure job security in the long term. This is why generation management is an important element of Daimler’s sustainability strategy.

DAIMLER Daimler AG is one of the world’s most successful automotive companies.

With its divisions Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, Daimler Buses and Daimler Financial Services, the Daimler Group is one of the biggest producers of premium cars and the world’s biggest manufacturer of commercial vehicles with a global reach. As a pioneer of automotive engineering, Daimler continues to shape the future of mobility today. The Group’s focus is on innovative and green technologies as well as on safe and superior automobiles that appeal to and fascinate its customers.

In 2011, the Group sold 2.1 million vehicles and employed a workforce of more than 271,000 people. Its revenue totalled euro 106.5 billion and its EBIT amounted to euro 8.8 billion.

www.daimler.com

Creating a Culture of Sustainable Development

by **Francesca Magliulo**,
Corporate Responsibility Manager,
Edison S.p.a.



Edison pursues its commitment to fighting climate change in a number of ways: from choosing the best available technologies to build new facilities to investing in renewables, from researching and developing technologies with a low environmental impact to offering energy efficiency services and green energy to its customers, and developing projects to promote energy efficiency and a culture of sustainable development. Energy efficiency and renewable energy sources can provide significant momentum to the recovery of the global economy. While the use of new technologies with a low environmental impact is essential to achieve a sustainable development, it is equally important to follow an appropriate conduct and concretely engage in positive activities aimed at protecting our planet. For this reason, Edison is committed to creating a widespread culture about climate, energy conservation and sustainable development, focusing in particular on the younger generations, tomorrow's citizens, with projects in schools as Eco generation, in the world of music as Edison change the music and cinema as Edison Green Movie.

"Eco-Generation. Your School is the Climate's Friend" is a three-year project launched in 2010 with the Italian environmental NGO Legambiente. At the beginning of the project they have established a series of environmental action centers consisting of a network of pilot schools that will be able to transfer to other schools throughout Italy know-how about energy efficiency, sustainable building construction and renewable sources. Thus far, 15 schools, 120 classes and 2,500 students have been participating in this project. The project got

under way with a thermographic survey to assess the energy efficiency of lead schools distributed throughout Italy, with the aims of detecting the presence of any thermal anomalies that could adversely affect building efficiency and comfort. The survey showed that at all tested buildings, appropriate actions could cut energy consumption by 50% to 70% compared with current levels. In addition, each school developed a "Sustainable School Manual," as a tool for renovating their school building.

“*Edison is committed to creating a culture about sustainable development, focusing on the younger generations*”

The best manual has been selected as the "Charter of Quality Objectives for Sustainable Schools," which all the other schools will be urged to adopt. In 2012, the schools included in the network were asked to test and concretely implement a series of virtuous activities to improve their building and their lifestyles at school. Upon completion of this process, Edison and Legambiente have provided their support to the school that has submitted the best project in terms of improving sustainability, helping it to implement an actual energy requalification initiative.

The ultimate goal of the Eco-generation project is the development by the schools of a sustainability network for school buildings. In addition, Edison and Legambiente plan to transform Eco-generation into a permanent energy efficiency program that can be made available to all schools, local entities and the Ministry of Education. This project was implemented under the aegis of the Italian Ministry of the Environment and is a partner of the European Union's Sustainable Energy Europe Campaign. The delegations of the Eco Generation project also attended the National Conference of Italian Youth "Let's take care of Italy" as part of the internatio-



nal European "Young Europeans, Let's Take Care of the Planet!" (YEC2012), took place in Rome. In the meeting, the boys elected their representatives to attend the conference of the European project that took place in Brussels from in May 2012. The contribution of these young Europeans will then be brought to the United Nations Conference on Sustainable Development, better known as Rio + 20.

Edison Green Movie is the first protocol in Europe for sustainable film-making. Like many other production sectors in recent years, the cinema industry has also reached a point where it must accept the challenge of ecological awareness. This is the purpose behind Edison Green Movie, a protocol for production companies proposing solutions to reduce the environmental impact of film-making. The first of its kind in Europe, this protocol was presented at the last Cannes Film Festival and is the result of a partnership between Edison and tempesta, an independent film production company. Edison want the film industry to focus its attention on proper and conscientious use of energy, reducing the environmental impact of film-making to a minimum. Production companies who decide to adopt the protocol will be assisted by tempesta, and supported by Edison, in the preparatory stages of the film and during filming on set. The objective is to produce a sustainable film with reduced impact on the environment, not only by offsetting emissions but by saving – using fully renewable sources of energy and eco-compatible practices in all the production phases. The protocol is very easy to use and provides a final assessment: films which achieve the required results will receive Edison Green Movie certification. By analyzing all the technical departments contributing to making a film, it has been possible to identify areas of consumption which could be modified in order to reduce overall environmental impact to a minimum. With modern technology (euro 5 generators, photovoltaic kits, LED lighting, etc.) and approved suppliers, it will be possible to increase the environmental performance of energy consumption, transport of goods and people, consumption of materials, waste management, catering and communications.

An illuminating example

To understand the scale of possible actions, let's take the example of an average Italian production with about two months of filming. Analysis of electricity consumption estimates that reducing the number of electricity generators creates a saving of about 19%, from 19.43 to 15.78 tons of CO₂. Using more efficient lighting systems could lead to a further reduction of 10-15%. Electricity generators are just one of the 38 indicators of environmental sustainability in the protocol. If we consider catering, the emissions of around 1800 containers for plastic

tableware amount to 0.37 tons of CO₂. By using tableware and cutlery in biodegradable materials, emissions can be reduced to about 0.18 tons of CO₂, equal to a reduction of 48%. So if all productions followed the guidelines of this protocol (in Italy there are an estimated 5,880 days of filming every year) there would be a reduction in emissions of 1,120 tons of CO₂, equivalent to public lighting for a town with a population of over 10,000 or to 1,120 return flights Rome-Dakar. "Zero-emissions" filming will become simpler and cheaper, and film sets will be transformed into models of sustainability for many other sectors of the film industry and show business in general.

Edison Change the Music, which reached its fourth edition in 2011, is the first music project with zero emissions in Italy. The purpose of this project is twofold: increase awareness of environmental sustainability issues among young people and help young emerging bands succeed in the music world. At the heart of the project is the Emerging Band Contest, in which 1,750 bands competed since 2008, but the project's other initiatives are also quite significant: the Observatory to monitor emissions generated by concerts in Italy, the Online Community, where visitors can express support for the project's principles, find advice and share news, images and videos, and, lastly, the Sustainable Music Manifesto, where the contribution of the online community to sustainability in the music world is presented.



Edison is one of the key players in the Italian energy sector. It is fully integrated upstream and downstream along the electric power and natural gas chain. Edison's production is carried out with advanced and environmentally compatible technologies.

The company is committed to grow in the Italian energy market ad abroad.

The increase in hydrocarbon sector is pursued by expanding E&P activities, in particular in Egypt with the development of the offshore concession rights of Abu Qir; secondary by improving gas storage capacity and by developing international infrastructure for gas transportation (ITGI and Galsi pipelines and Adriatic LNG regasification terminal).

www.edison.it

A Sustainable Approach Throughout the Green Coffee Supply Chain

by **Katrien Delaet**,
Head of Sustainable Projects,
Efico Group



Approach

Our goal is to deliver products and services that meet the highest standards of our customers to ensure that high quality products are traceable, safe, reliable and sustainable and reduce the environmental impact of our activities throughout the supply chain.

Efico Global Strategy to Reduce Greenhouse Gas Emissions in the Supply Chain

Emissions are measured and analyzed. Once high consumption factors have been identified an action plan is developed to reduce and compensate for most greenhouse gas emissions. Our action plan is innovative as it applies reductions in areas of emission with sound technology. Unlike many compensation plans designed for tree planting programs, ours is a proactive approach to a continuous reduction of emissions. The plan is implemented in producing and consuming countries with a proven business model applied to the different stages of our supply chain.

Sustainable achievements and results

Responsible actions in producing countries:

- Pre-finance over euro 18 million in 2010, in partnership with the Belgian Export Credit & Insurance Agency the "Office National Dueroire" (ONDD)
- Create a United Nations Global Compact audit of the principles, in partnership with Mayacert. Starting in 2004 and every year after that, at least one of our coffee producing suppliers is audited.

- 3 Offices in Producing Countries: Brazil, Ethiopia and Guatemala, enable us to be active and have presence in local markets.
- Train farmers in the Central American region on sustainable agricultural practices. Training provided by a Guatemala-based agronomist.
- A private foundation compliant with UNGC principles, Efico Foundation supports multiple stakeholder sustainable development projects in coffee and cocoa producing countries. Since

its creation, the Efico Foundation has supported 36 projects in 14 countries for a total of euro 1,310,000* in partnership with 60 different organizations, NGOs, research institutes, universities, national producer associations, other foundations, and cooperatives or local producer organizations.

In 2008, Efico co-developed and supported the "Climate-Friendly Farming Project", a pilot project in Guatemala, which completed the certification requirements of the Rainforest

Alliance sustainable program with a vol-

untary, additional climate module that describes towards producers how to prepare for climate change and reduce their own environmental impact. Today, agriculture is among the top reasons for global climate change and is responsible worldwide for 14% of all greenhouse gas (GHG) emissions. This percentage increases to 30% with the deforestation resulting from farms and farm expansion. Most coffee plantations grow in an agroforestry system (tall trees provide shade) with high carbon stock. As part of our pilot project, carbon storage was measured and greenhouse gas emissions were calculated. This is the starting point to reducing and compensating CO₂ in the supply chain. In Sep-

* As of August 2011.

“*The challenge for the group is to detach economic growth from environmental impact and create added value for the sector*”

tember 2011, the first farm became Climate Certified, which will allow us to market 'Climate Friendly' products in the near future.

Responsible actions in consuming countries

- 3 Offices in Consuming Countries: Belgium, Germany and Switzerland enable us to be active and have presence in local markets.
- Purchase Policy for Sustainable Products: In 2010, 26% of our volume was certified, verified or provided by a sustainable program and sold through programs such as Nespresso AAA, Rainforest Alliance, UTZ Certified, Organic, Fair Trade, 4C, etc.
- Ecological Footprint Policy Rationale: In 2008, we performed an ecological footprint analysis and mapped emissions linked to our activities to reduce impact to the maximum.
- Purchase Policy for Sustainable Products was implemented in different Efico Group sites.
- Sustainability Policy Dissemination: We share our sustainable expertise with suppliers, customers and partners with a variety of sustainable products, with our commitment to the UN Global Compact principles, our role in the local Belgium network, and with the support of 47 European coffee roasters to the Efico Foundation.
- SEABRIDGE: A new approach to sustainable and innovative logistics dedicated to green coffee. Green coffee is a natural food product very sensitive to light, temperature variation, odors, air quality, and humidity. In 2008, Efico built a new, European sustainable facility center for storage, processing and distribution of green coffee in the port of Zeebrugge (Seabridge). As an independent company within the Efico Group, Seabridge operates for Efico, as well as for third parties, such as coffee roasting companies, trading houses, producer organizations, insurance and maritime companies Worldwide it is the only automated sustainable service center with air-conditioned storage space of 20,000 m², capacity for ± 300,000 coffee bags combining performance with the triple pivot of sustainability. In 2008, Efico was awarded the 'Innovation & Design' Award by the SCAE (Specialty Coffee Association of Europe) for its innovative Seabridge concept.

Location: In the port of Zeebrugge, which shares our long-term sustainable vision to streamline logistics performance.

State-of-the-art facilities: Insulation allows higher efficiency levels - 30% compared to traditional facility performance - for which we obtained a Green Building Certificate and an award from the European Commission. Facilities are approved by the Federal Agency for Food Safety.

Investment: Approximately euro 30 million.

Tracking and Traceability: A unique code traces all our goods from origin to destination, ensuring traceability of all our products.

Optimum Storage Conditions: Air is maintained at a constant temperature and humidity, is filtered, sterilized and ventilated. Forklifts are electric and run on green energy produced on the

roof of the building. This equipment extends the life cycle of coffee and preserves its unique qualities.

Technologies: Operation is fully automated, which reduces work from the staff considerably. Equipment allows for mixing, cleaning, sorting beans and, possibility for receiving, storing and distributing coffee. 4,600 photovoltaic modules = ± 1 GWh / year of green power annually, equivalent to the average annual consumption of approximately 300 families, allowing removal of 20,610 tons of CO₂ over 30 years.

Direct Access to Rail Transportation on site for reception and distribution of goods. The totality of goods are received by rail, which reduces traffic burden. Most of the goods are forwarded by rail.

Waste Management complies with the prevention, reduction and recovery-based priorities of the Cradle-to-Cradle (C2C) concept. Where possible, the life cycle is extended and waste is used as raw materials to create new products. The same concept applies to our customers waste: jute bags, sisal and plastics. Waste water on our site is also processed.

Future perspectives

A driving force in our supply chain, our proposed sustainable solutions provide added value to the sector in producing countries and in Europe. Long-term partnerships strengthen our actions. The success of our project is largely due to continuous knowledge sharing and exchange with our stakeholders, because they share our values and requirements.



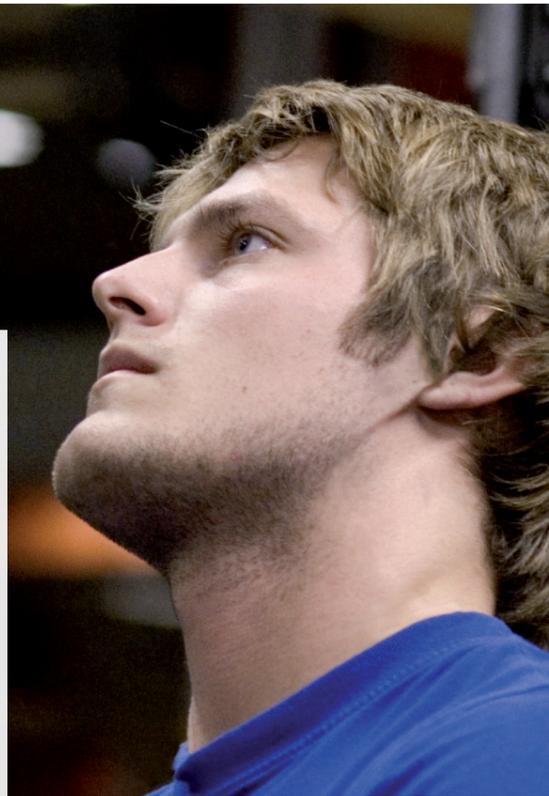
Since 1926 Efico has been a coffee and cocoa trading house of international scale with offices in Belgium, Germany, Switzerland, Brazil, Ethiopia, and Guatemala. Our team of traders continues to uphold the values of a long-standing family business and provides tailor-made services with a 'personal touch'. The company has always been characterized by its spirit of responsible entrepreneurship and proactive approach to the sustainability of the sector. Efico has subscribed followed the United Nations Global Compact principles since 2003 by taking ownership of its values and by implementing an ambitious sustainable development policy that has received several international recognitions.

Efico shares this sustainable know-how with approximately 450 of its European coffee roasting company buyers. In 2010, turnover totalled euro 166 million and that same year Efico traded 1 million bags of green coffee and 70,000 bags of cocoa.

www.efico.com

Innovation in Health and Safety Management

by **María Alonso Tuñón**,
Health and Safety and Environment,
Gestamp



Content

Aware that we work in a sector in which people's safety could be at risk, we have developed and are applying our in-house system to precisely and homogeneously measure the performance of our companies, to establish the timing and needs for improvement, to monitor progress and to extend our policies quickly and clearly throughout the entire organisation.

Background

Over the last ten years, Gestamp has gone from being a small stamping group based on the Spanish the French markets, to a multinational company present in Western Europe, Eastern Europe, North America, Mercosur and Asia. This development is the fruit of organic growth, with greenfield and brownfield projects located all around the world, and by acquiring other groups. Gestamp with its global presence and its technological enrichment is now a strategic supplier for almost all top level automobile manufacturers.

The company has become an industrial group with close to 100 production centres of different sizes, located in different countries, with very diverse safety legislations and cultures, with different performance levels at each centre, and this evolution has been a great challenge for the Occupational Risk Prevention department, whose objective is to apply an ambitious health and safety policy focused on making real improvements in working conditions, where the strategy applied and the management tools used are fundamental.

Challenges and disadvantages

It is important to transfer the Group's know-how as quickly as possible to the newly-added or newly-created companies. If not,

the hard work and efforts to improve can easily be deviated from what is considered to be priority due to a lack of knowledge.

A country's legislation is a reference point for the minimum conditions to be applied by companies located in the country, but for the Group, in specific important issues they may not be enough. A centre's safety conditions must be improved by implementing a continuous improvement process and establishing priorities in accordance with the risks that need to be prevented or mini-

mised, by means of the appropriate planning in order to achieve the objectives on the medium and long term.

Newly-built centres must comply with safety conditions, independent to the country where they are constructed and the legislation that affects them.

The performance of companies must be measured precisely so that results can be compared, the efforts made to improve can be evaluated and, thus, all employees across all levels can be involved.

The results obtained with traditional indicators (frequency index, serious injury index and incident index, among others) that relate accidents and workdays lost compared to hours worked and number of employees, are no longer comparable

in such diverse environments. There are several factors that explain this circumstance. One of them -the clearest- is related to the differences in social security systems in different countries.

In certain countries, the state assumes a large part of the cost involved when an employee is injured while working, and the fact that there are more or less accidents does not involve hardly any additional expenses for the company. However, in other countries, accident covers are private, therefore the cost for the company largely depends on the number of declared accidents.

It would be easy to unconsciously promote reactive policies by

“*In Health&Safety, senior management's commitment is essential, but the key to success is how things are managed from the time this commitment is made*”

measuring the performance of companies only using traditional indicators and putting all the pressure on improving these areas.

The solution

Aware of the disadvantages and the challenges, we decided to develop and implement a comprehensive management system within which one of the tools "GHSI, the Gestamp Health and Safety Indicator" plays a prominent role.

The GHSI is an indicator that precisely assesses a company's health and safety performance and enables somewhat detailed information to be obtained based on the interlocutor's needs within the organisation in question.

At its most aggregated level, the GHSI describes performance with a number from 0 to 100, where 0 is the perfect situation and 100 is the most unfavourable situation.

This number is the weighted average of three criteria: "Traditional Indicators", "Working Conditions" and "Prevention Management". In turn, each criterion is made up of different factors, a total of 70 in the 2012 GHSI.

The "Traditional Indicators" category is evaluated by comparing the results the centre obtains, with regard to the Frequency Index, Serious injury Index, and Serious Accidents, with respect to pre-established reference values.

The factors under the "Working Conditions" category include, for example: in-plant circulation routes, safety conditions for the different machinery types, warehouse conditions, noise levels and work station ergonomics.

In turn, a few of the factors included under the "Prevention Management" category are, among others; management of external companies, specific training, ergonomics management, accident investigation, preventive maintenance for machines and working at heights.

All the factors are precisely described and any questions that could arise with respect to interpreting a specific condition for a factor are discussed in order to give a joint response, which is then clarified in the GHSI technical specifications.

Each factor and each criterion have different impacts on the final result, depending on their importance and each factor has different levels when being evaluated according to the degree of fulfilment.

Work is done on the GHSI every year in order to keep it updated. We review the factors, the assessment scales, the influence each section has on the final score and the degree of fulfilment of the different factors, in order to include new ones and adapt the GHSI to the Group's actual situation.

In short, it is a health and safety standard that details all of the special features of the Group and the best solutions. This standard will be used as a benchmark to compare the situations at the different centres and draw up each centre's score that will define its performance.

The keys for implementing and maintaining the system

To ensure that the results can be compared is undoubtedly the most important matter. Comparisons are detestable but they are very effective if they are fair and representative. We have an audit system so that each improvement at any centre must be validated by the assigned auditor. The Group has six auditors who

ensure the uniformity of criteria at all the companies.

Safety is a priority for Gestamp and is reflected in the follow-up of this indicator at all levels.

Thus, the final results (from 0 to 100) for each of the centres and divisions are reported to the Group's senior management and each centre's managers must be fully aware of the situation of the most important factors at his/her centre. However, the prevention experts and those responsible for the areas are those who must have an in-depth knowledge of the individual scores for each and every factor that is related to their responsibility.

GESTAMP HEALTH AND SAFETY INDICATOR		
Rates – 30%	Working Conditions – 30%	H&S Management – 40%
Frequency rate: 1 factor 27%	Routes of traffic: 2 factors 12%	Assessments/improvements: 6 factors 20%
Seriousness rate: 1 factor 27%	Stores: 5 factors 16%	Specific rules and training: 7 factors 25%
Serious accidents: 1 factor 45%	Fire protection: 4 factors 7%	External companies: 2 factors 6%
	Productive machines: 11 factors 27%	Works with special risks: 7 factors 13%
	Auxiliary machines/facilities: 5 factors 14%	Risk control: 6 factors 11%
	Environmental conditions: 4 factors 14%	Audits and investigations: 4 factors 16%
	Ergonomic conditions: 2 factors 10%	Others: 2 factors 9%

After six years of application

It continues to be a key tool for involving people on all levels.

It is the standard for improvement at each and every centre.

With respect to working conditions, the GHSI guidelines are a benchmark for safety when new companies are constructed.

It is the main tool for training new technicians who join the Group and for conveying the know-how accumulated over several years quickly and effectively.

It improves the traditional indicators significantly, particularly with regard to serious accidents.

It allows our Health and Safety Policy to be implemented in all Group companies, independent to the country where they are located.



Gestamp is an international group that designs, develops and manufactures metal components and assemblies for automobiles.

Currently, we are present in 19 countries, with 89 production centres and another nine companies are being started up, primarily in developing countries. In 2011, turnover was 4,475 million Euros and over 25,000 people.

Over the last decade, we have experienced solid growth, thanks to the quality of our employees who are focused on innovation.

All our technological knowledge is focused on weight reduction, with the consequent reduction of emissions into the atmosphere, and improved safety if a crash should occur. There are 12 R&D centres.

Thus, Gestamp has become a leading supplier for the main automobile manufacturers.

www.gestamp.com

Making a Difference - ContourGlobal Maritsa East 3 TPP

by **Daniel Kiryakov**,
Communications and CSR Manager,
ContourGlobal Maritsa East 3

ContourGlobal Maritsa East 3 thermal power plant, located 250 km from Bulgaria's capital of Sofia and 60 km from the Turkish border, is one of four generating stations within the Maritsa East Energy Complex. Like all the plants in this complex, Maritsa East 3 burns lignite coal supplied by the state-owned Maritsa East Mines. The Electricity output is entirely committed to the state-run utility, NEK, which is also a minority investor in the project.

Upgraded within the last several years, Bulgaria's Maritsa East 3 plant has characteristics that illustrate ContourGlobal's business approach: highly efficient operations, local fuel supply and full compliance with the latest environment and health and safety standards.

The Russian-built plant's four generating units first came online between 1978 and 1981. A major rehabilitation and modernization project was completed in 2009 it boosted the plant's output to 908 MW from the original 840 MW. Key results of the rehabilitation were a significant improvement of the plants environmental performance, extending the life of operation, as well as increasing the installed capacity and the efficiency. The plant was the first power producer in Bulgaria to be fully compliant



“*We have a business strategy that combines economic interest with the interests of the public society*”

*Garry Levesley, CEO,
ContourGlobal Maritsa East 3*

with the latest European environmental standards.

In 2010, the plant achieved ISO and OHSAS certification for its integrated Environment and Health & Safety Management System. Since 2008 the company has implemented a corporate social responsibility program jointly with the local administration of Galabovo aimed at improving the social conditions of the neighbourhood area.

” All of the ContourGlobal people at the plant are dedicated to working to the highest standards in the areas of power production, environment, health and safety, as well as in corporate social responsibility. It

is not only the procedures, which are followed strictly, but the spirit and the culture they demonstrate in and outside of the plant. Every employee is an ambassador of the company's goals, vision, and values.

In addition, ContourGlobal's business ethics rules have become an integral part of the work and the mindset of all of the personnel exposed to contacts with external parties. Thus, the company acts as a true leader, and promotes best-in-class business and corporate values which are recognized worldwide.

The Plant in Numbers

- 908 MW present capacity
- Generating approximately 11% of the electricity of the country
- Over 99.8% of the dust from the furnaces is captured
- All four units operate with flue gas desulphurization (FGD) installations, reducing SO₂ emissions with more than 94%



CONTOURGLOBAL
MARITSA EAST 3



We develop, acquire and operate electric power and district heating businesses around the world. We focus on generating electricity for high-growth emerging markets and identifying innovative niches within developed markets. The company is present in 16 countries on four continents and has 1,500 employees. ContourGlobal, through its wholly owned subsidiary, ContourGlobal Maritsa East 3 is the owner of the ContourGlobal Maritsa East 3 Thermal Power Plant. ContourGlobal is the majority shareholder of ContourGlobal Maritsa East 3, owning 73% of the shares. The Bulgarian National Electricity Company (NEK) owns remaining 27% of shares of the power plant.

www.contourglobal.com

Italcementi's Best Practices on Anti-Corruption and Bribery

by **Agostino Nuzzolo**,
Legal and Fiscal Affairs Director,
Italcementi Group



Italcementi Group is continuously committed to ensure responsible corporate behaviours, promoting high standards of integrity and transparency in business transaction.

In particular, recognising the circumstance that bribery and corruption are obstacles for the development and maintaining of a social and economical sustainable business environment, the Board of Director of Italcementi has addressed the issue of bribery and corruption inside the Code of Ethics, the Charter of Values and the corporate governance principles of the Group, impacting on national and international, public and private activities.

Italcementi Group promotes its "zero tolerance policy" towards corruption and bribery involving all employees, officers and directors being responsible for carrying out their duty in accordance with the aforesaid binding principles and values, performing the culture of compliance and integrity.

In 2010 Italcementi joined the UN Global Compact, promoting the corporate citizenship culture on a global scale and formally aligning its operations and business plans with the basic principles in the areas of human rights, labour, environment and anti-corruption (the 10th principle of the UN Global Compact states that Businesses should work against corruption in all its forms, including extortion and bribery). Italcementi was the first listed Italian company in its sector to join this initiative.

In 2011 Italcementi became member of the Global Compact Network – Italy (GCNI), which operates in accordance with the directives provided by the Global Compact Office in New York and acts as a national platform for the promotion and dissemination of the ten Principles in Italy. Italcementi participates to the activities of the Anti-Corruption Group, jointly with other multinational companies, and it is responsible for coordinating the sub-group for the promotion of the legacy and avoidance of corruption in the supply-chain (i.e. private to private corruption) Italcementi Subsidiaries are strongly required to join the existing Regional/National Networks of the United Nations' Global Compact and take active part in it engaging in collaborative projects with other companies, nongovernmental organizations and public bodies.

Italcementi also participates to the activities promoted by Transparency

International-Italy (TI-it). In this regard, Italcementi provided its contribution by participating, invited by TI-IT, to the phase 3 Evaluation of Italy carried out by the OECD in order to verify the status of implementation of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Internally, the Italcementi Group's management system on countering corruption and bribery include the implementation of the Organisation, Management and Control Model and the Corporate Governance Programme. The Organization, Management and Control Model has been designed and implemented to comply with the Italian Legislative Decree 231 of 2001, setting forth corporate liabilities upon the companies for crimes (including bribery and others criminal acts falling within the concept of corruption, such as transnational organized crimes, money laundering and frauds) committed by employees to the advantage or benefit of the company itself. Activities that may potentially expose Italcementi to the said liabilities have been identified and mitigating processes and control measures on operational activities devised and implemented.

In 2009 Italcementi released and launched in Italy a specific programme, the so called "Piano Prevenzione Rischi Criminali" ("Action plan to prevent criminal risks") with the aim of organizing decision-making processes and procedures to prevent the risk that organized criminal organizations may enter into the business activities and adversely affect them. Italcementi reached and executed formal written agreements with all Prefectures located in Calabria, Sicily and Lombardy Regions in order to strengthen the cooperation between public and private sectors against the organized criminal organizations. Italcementi is actually dealing with Prefectures of other Regions of the Central and South of Italy with the purpose of executing similar agreements.

With regards to the relationship with customers, suppliers, partners and contractors, Italcementi has organized in Italy a procedure of "Vendor Management" for selecting and qualifying vendors from the ethical, economic, industrial and financial point of view, and some organizational bodies, such as: a Customers, Suppliers and Partners Analysis Department, aimed at mitigating risks related to relations with Sup-

pliers with a low integrity profile in business management; a Suppliers Qualification Department, aimed at the develop and maintain a vendor base with a high integrity profile in doing business; a Suppliers Committee in charge of deciding about interruptions, temporary reductions in goods collection or requests for further checks on vendors deemed to be at risk (and early termination of contracts with vendors in case of non fulfillments and lack of commitment rigorously complying with the legal provisions in force); a Customer Committee and a Real Estate Committee for ensuring a proper control on customers and third-parties in real estate operations.

In 2010 Italcementi started a Group project to launch, within this year end, a comprehensive Anti-bribery Programme (the "Programme") to be implemented at Country level in all the Subsidiaries of the Group according to a 3 years-oriented plan, through compliance activities, procedures and organization and control models aimed at preventing the bribery/corruption risk.

The Programme intends to provide a formal and effective framework, business practices and risk management strategies to ensure that the Group and its third business partners comply with national and international legislations and principles for countering bribery in all its forms, including active, passive and commercial (also named "private to private") having the purpose of obtaining or securing unlawful advantage in the conduct of business.

The Programme targets executives, directors, employees, intermediary, consultant and other business partners (contractors, suppliers, customers and partners in joint entities).

The Programme sets forth specific group Rules of Conduct, as well as group and local regulations. The Rules of Conduct are aimed at providing a basic guidance to comply with national and international anti-bribery laws, embodying rules, recommendations and practices developed by non-governmental organizations fighting against corruption (such as ICC, World Bank, Transparency International). The Rules of Conduct target interaction with Public Officials and bodies, including authorizations, permits and concessions; political contributions; inspections; facilitation payments; gift, hospitality, expenses; sponsorships; charitable contributions and donations. As far as Italcementi can be held liable, for the conduct of its business partners (including intermediaries and consultants), it expects that all of them align their practices to, and comply fully with, the applicable anti-corruption laws and principles set forth in the Rules of Conduct. The Rules of Conduct also set forth rules and recommendations in the dealing with future and existing Joint Entities, in which Italcementi participates; mergers and acquisitions; international business operations; transactions involving tax havens jurisdictions and transfer pricing.

In addition, the Rules of Conduct also address the tracking of the financial flows, the keeping of accounting books and records, and the recruitment of the employees. The former has the purpose of guaranteeing transparency and avoid any risks of finance illegal payment, in accordance with the principles of adequate separation of duties, authorization procedures and limits to individual power of attorney, satisfactory level of documentation and compliance with accounting principles. The latter (i.e. the employees recruitment) intends establishing processes to avoid any form of discrimination or favoritisms, as well as risks that new recruits have been involved in criminal proceedings or investigations, even connected with organized criminal activities.

Regarding the "private-to-private" bribery, the Rules of Conduct pro-

vide prohibition from accepting or receiving, offering, promising or giving, directly or through intermediaries, money, anything of value or other improper benefits from/to any customer, contractor, subcontractor, supplier, intermediary or other third partners for the benefit of Italcementi or of any personnel or personnel's family member or that may improperly affect a business transaction or an ordinary activity.

The Programme acknowledges the importance of the internal and external communication as an important instrument to achieve its success. The Programme will be available through the Group Intranet webpage of the Legal and Fiscal Affairs Department ensuring that the Italcementi Group personnel and the business partners are aware about the importance of countering bribery through a clear understanding of the Italcementi's policies, ethical values and rules. Italcementi will make available to stakeholders, in an accessible and regular manner, information about the Programme the level of performances achieved, the controls carried out and an aggregated report mentioning the types of infringements that may have occurred in the previous year.

The Programme requires performance of regular tailored trainings to the Italcementi Group Personnel in order to spread out a good understanding of how bribery may occur, risks and damages associated with unlawful conduct.

Finally, the Programme will be supported by internal controls and auditing to verify the correct application of it, as well as to promote and perform periodical reviews and assessment of the effectiveness.

Other best practices of Italcementi include the whistle-blowing procedure, which, in accordance with the 2005 ICC Rules of Conduct on Combating Extortion and Bribery, offers confidential channels to raise concerns or report violations without fear of retaliation or of discriminatory or disciplinary action.

Accordingly, in 2011, Italcementi has set up an Internal Ethics Committee, having the goal to establish a cross-functional task to investigate reports of illegal conducts, to provide elements for their evaluation and monitor the outcome of any internal investigations.



Italcementi Group

A world class local business

With an annual production capacity of approximately 74 million tons of cement, **Italcementi Group** is the world's fifth largest cement producer.

The Parent Company, *Italcementi S.p.A.*, is one of Italy's 10 largest industrial companies and is listed on the Italian Stock Exchange.

Italcementi Group companies combine the expertise, know-how and cultures of 21 countries in 4 Continents boasting an industrial network of 55 cement plants, 10 grinding centres, 8 terminals, 494 concrete batching units. In 2011 the Group sales exceeded 4.7 billion Euro. *Italcementi*, founded in 1864, achieved important international status with the take-over of *Ciments Français* in 1992.

www.italcementigroup.com

Italcementi Group Health at Work

by **Stefano Gardi**,
Sustainable Development Director,
Italcementi Group

Starting from its foundation in 1864, Italcementi Group has been driven by the continuous search for business excellence and best practice. Sustainability provides the ground to the Group strategy and working culture, balancing economic growth, environmental protection and social responsibility. Well beyond helping to anticipate and manage business risks, it contributes to value creation, long-term approach, durability and competitive advantage. Responsibility as long-term commitment to sustainability; integrity as ethical behaviour at the heart of the business; efficiency as operational excellence through continuous improvement; innovation in product application and management; diversity of local identities: these are the core values which continuously drive all the Group activities.

Since year 2000, the Group is member of the World Business Council for Sustainable Development (WBCSD) and the Cement Sustainability Initiative (CSI), therefore signing the Cement Sustainability Initiative's Charter and Agenda for Action, the first formal commitment that binds a selected number of world cement industry leaders to sustainability. To further confirm and expand its commitment on these issues, in 2010 the Group adhered to the UN Global Compact, formally aligning operations and business plans with universally accepted principles in the areas of human rights, labour, environment and ethics.

Italcementi Group has achieved the inclusion in the Sustainability Yearbook, the most comprehensive publication on corporate sustainability released yearly by SAM (Sustainable As-

set Management). Equal protection and rights for all workers of Italcementi Group subsidiaries became a concrete reality with the general international agreement for the promotion and safeguarding of workers' rights, signed in 2008 with the Building and Wood Workers' International (BWI). The agreement is based on the joint commitment of the signatories to respect all the fundamental human and trade union rights – as defined in the Universal Declaration of Human Rights, in the ILO Declaration on Fundamental Principles and Rights at work as well as relevant ILO Conventions and jurisprudence and OECD guidelines on Multinational Companies – and to promote improvement of working conditions and health and safety at the workplace as well as to develop democratic industrial relations and foster fair collective bargaining procedures with trade union representatives.

Among the many cross-cutting initiatives launched by the Group over the 10-year period of public commitment to sustainability, a special place is given to health and safety of workers. The reduction of work related injuries up to 78% over the last ten years, is the clear result of the awareness campaigns started in 2000 to promote safety at workplace and, even more, the effective safety management system implemented and continuously updated by all Group subsidiaries. While deploying a number of additional initiatives to further reduce accidents and incidents at work, Italcementi Group strongly believes that promoting the health and enhancing the wellbeing of workers is as vital as protecting their safety. This approach was confirmed in 2010 not only

“Promoting the health and enhancing the wellbeing of workers is as vital as protecting their safety”

with a complete review of the existing Group Safety policy but also with the adoption of totally new dedicated Group Health policy. Both are part of a completely new set of Group policies deriving from the Sustainability Policy, to be embedded in Group's strategies, processes and day-to-day business. Policies apply to all the Group activities and business partnerships, including mergers and acquisitions, and to all the stakeholders involved in the Group sphere of business influence. In 2008 the Group has started a worldwide initiative aimed at adopting the best practices experienced in the field of occupational health and industrial hygiene in all the countries of operations.

Under the umbrella of the Sustainable Development Department, and with the continued sponsorship of the Human Resources Department, the first move was the adoption of a Group standard defining occupational exposure thresholds for the major physical or chemical risk agents in our sectors, i.e.: dust, respirable crystalline silica, noise and whole-body vibrations. Limit values are directly inspired to the most stringent international references in the sector, well beyond regulatory frameworks enforced in the Group's countries of operation. All sites, from headquarters and administrative building to cement plants or ready-mix concrete batching unit, are covered by the risk assessment that may include the detailed monitoring, on the field, of quantified exposure levels. The measurement campaigns are repeated periodically or after major process modifications that may affect exposure.

The Group is promoting and consolidating the implementation of the Standard in all its subsidiaries. In only three years, the Group was able to collect relevant data from almost all relevant countries, and well beyond the boundaries of mature markets, fostering the monitoring activities also in countries in which no legislation requires it. The coverage rate of the monitored activity, at 38% in the starting year, raised at 52% at the end of 2010, being already at 57% in 2011. Also the Egyptian subsidiary, one of the most important in terms of production capacity and number of employees, has already contributed to the objective. The target is to cover with quantified workplace assessment at least 100% of employees exposed to dust, silica, noise and vibration by 2015.

In order to consolidate the data collection process and the full reliability of information, in 2010 this coverage indicator has been included in the ever growing list of performance verified by third party.

Moreover, the baseline assessment is triggering many targeted actions to reduce workers' exposure, that is the real ultimate objective of the whole initiative. As of today, the exposure level of more than 90% of the monitored workers are already in compliance with Group Standard, definitively beyond the mere fulfilment of legally binding requirement of some countries,

Finally, fostering a wider care of the workers' health, the Group is planning to define minimum requirements for occupational medical surveillance, implement a monitoring and reporting tool for occupational illnesses, even in countries where there is no enforced legal framework and promote actions to prevent occupational illnesses.



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www.italcementigroup.com

How to be a Responsible Investor

by **Eli Bleie Munkelien**,
Vice President Corporate Responsibility,
KLP



Our first and foremost responsibility is to meet our financial obligations. KLP manages 290 Billion Norwegian kroner and more than a half of a million Norwegians have their pensions with KLP.

It is our responsibility to enhance long-term value. However, we are not indifferent as to how we achieve this goal.

There are two rationales for KLP having a strategy for responsible investments. First, we do not want to contribute to violations of international norms. We want companies to comply with standards that the international community has agreed upon. Second, we assert that sustainable business practices will reap long-term rewards. Pension fund providers, such as KLP, are long-term investors. We gain little from companies' short-term returns, if they damage long-term performance. To operate responsibly and sustainably is also an effective risk management strategy.

International norms

Our strategy is based on internationally recognized principles. KLP is a member of the UN Global Compact and our exclusions will primarily be due to complicity with UN conventions or the OECD's Guidelines for Multinational Enterprises. KLP is also a signatory of the UN Principles for Responsible Investments (UNPRI) and has made the commitment to incorporate environmental, social and governance issues into our investment decision-making processes and ownership practices. Our implementation of the PRI is rated every year.

Tools of influence

We use three tools for influencing companies and society towards sustainable development. These are active ownership and engage-

ment, exclusion, and sustainable investments.

Exclusion criteria

The 10 principles of the UN Global Compact, a UN network for business, provide the framework for the exclusion criteria. The companies excluded from our portfolios can be linked to gross or systematic violation of international norms, in the following areas:

- Human rights
 - Employee rights
 - Environmental destruction
 - Corruption
 - Business ethics
 - The rights of individuals in situations of war or conflict
 - Other fundamental ethical norms
- KLP also have product based exclusion criteria. We do not invest in companies producing:
 - Certain types of weapons
 - Tobacco

KLP's guidelines are aligned with the ethical guidelines for the Norwegian Government Pension Fund. We therefore follow the Ethical Council's advisory statements in line with the Norwegian Ministry of Finance.

The companies in KLP's investment world are monitored continuously for breach of our ethical guidelines. Selling the shares is a last resort if the company does not show willingness to improve.

For the analyses that provide the basis for KLP's involvement and exclusions we rely mainly on GES Investment Services (GES), but also on the Ethical Council for the Norwegian Government Pension Fund - Global (NGPF).

GES carries out daily news searches and investigates the event by contacting the company and other interested parties, for example

“*It is our responsibility to enhance long-term value. However, we are not indifferent as to how we achieve this goal*”

international organisations and NGOs (non-governmental organisations) to collect the facts and create the most objective picture possible. All allegations have to be confirmed by the company itself or by a trustworthy official source, for example the authorities or UN bodies.

Dialogue

GES contacts the company for their comments and a dialogue concerning the event on our behalf. In a number of cases KLP also has direct contact with the company. Dialogue with companies is normally a combination of meetings, e-mail correspondence and telephone conferences. The aim is that the company should work to improve so exclusion can be avoided. KLP's experience is that a strategy that combines dialogue and exclusion is effective, since openness concerning our work gives weight to the demands we make.

Satisfactory result?

If the investigation concludes that the company is associated with breach of norms and over a period of time does not show responsibility or willingness to tackle the problems, GES will recommend KLP withdraws. To avoid exclusion the company must fulfil four requirements:

1. The reported activity has ceased.
2. The company has handled the activity and the consequences in a responsible way.
3. The company has systems and procedures in place to prevent similar occurrences in future.
4. Paragraphs 1-3 are verified by a third party.

Re-instatement

The dialogue with the company continues after KLP has sold its shares. The aim remains that the company should improve its policy and its procedures so that they no longer breach our ethical guidelines, and therefore it becomes open once again for investment. The four requirements above also apply for the company to be re-included.

Implementation in KLP's asset management

When the list of excluded companies is approved by KLP, it is made known to all managers, both external and internal. The list is also included as part of the audit procedures in our mid-office: any breaches will be captured, reported and corrected.

Publication

KLP publishes exclusions and re-inclusions twice a year (in June and in December).

External asset management

In those funds, investment companies and collective structures in which KLP is a part-owner and cannot directly influence the company's or the fund's investment practices, principles and policy will be maintained through selection criteria and active exercise of ownership. KLP continuously monitors how external managers and funds maintain responsible investment practice. If asset management conflicts with KLP's principles and policy,

consideration will be given to withdrawing investment funds. In general KLP wants to encourage other investors to move ahead in this area. Entering into agreements on external asset management or other matters can provide a good opportunity for us to influence other investors and other parts of the finance industry towards a responsible investment strategy.

Human rights as a case

The Universal Declaration of Human Rights is an important pillar of worldwide human values. It is our responsibility as an investor and owner to support and promote adherence to this important declaration. As a consequence, 15 companies associated with human rights violations have been excluded from our investment universe.

Corruption and business ethics as a case

DNO International In June 2010 KLP put DNO International under observation due to its sale of stocks from the company to Kurdish authorities in Iraq. Oslo Stock Exchange has fined the company over the action. The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) has presented a charge against the company, its CEO and the chairman of the board. In the company's opinion, the allegations are based on the same circumstances forming the basis of the original decisions by Oslo Stock Exchange. These allegations were revoked by the Oslo Stock Exchange Appeals Committee in 2009.

KLP has been in dialogue with the company about the incident and the company's corporate responsibility – with particular focus on corruption risk and anti-corruption work. The company has taken actions with regard to its challenges and is now working systematically with its corporate responsibility and in particular anti-corruption. In the spring of 2011, DNO became an official supporting company of the Extractive Industries Transparency Initiative. As a result of the company's work and engagement to tackle its challenges DNO is no longer listed under observation.



KLP - (Kommunal Landspensjonskasse Mutual Insurance Company) - is Norway's largest life insurance companies with

total assets of 290 billion NOK at the end of 2011. Our customers are in the local government sector and the state health enterprises as well as to businesses both in the public and the private sectors.

KLP's main product is occupational pensions and pension fund services. The company also provides insurance services both to individuals and the public sector. KLP Eiendom is one of the largest property managers in Norway. KLP provides a wide range of lending services and has established its own bank in 2009, KLP Banken.

www.klp.no

La Poste Moves to Achieve Responsible Purchasing

by **Stephanie Scoupe**,
Assistant to the Chairman's Adviser
for Sustainable Development Ethics,
La Poste

We can change the way we buy

Since becoming a key feature of La Poste's strategy in 2003, sustainable development has been gaining ground in the company's cross-functional departments and especially in purchasing, which plays a major role in this area. Group decisions in the matter have a significant impact on its business activities and the development of environmental and social best practices.

The purchasing divisions put the Group's sustainable development strategy into practice by:

- taking social, environmental and economic responsibility into consideration as early as possible in the purchasing process,
- adopting ethic behaviour in the purchasing process itself,
- working with the local economic actors but also with sectors that work with people that have disability and job-seekers to fill certain needs
- taking into consideration the entire product and service life cycle
- making mutual commitments with suppliers and achieving mutually beneficial improvements

Who buys what from whom?

La Poste's purchases are organised by business sector: Mail, the Retail Brand, Parcels, La Banque Postale and Poste Immo all have their own purchasing division. For example, the purchasing of sorting machines for Mail or Parcels, or ATMs for the Retail Brand is handled directly by the divisions concerned. At Group level, there are two dedicated structures. The Group purchasing division has brought in a set of common rules and sees to it that they are applied. The operational purchasing division, on the other hand, handles specifically corporate purchases. It has drawn up Groupwide contracts for routine types of purchases. Like the business sectors, the subsidiaries each have their own specific purchasing department. In all, the pur-

chasing function occupies more than 650 people across the Group, who deal with 33,000 suppliers. Two hundred of these suppliers account for 63% of La Poste's total purchases.

Best practice aggregator

The responsible purchasing evaluation standards recently drawn up for corporate, business sector and subsidiary buyers is a sign of this hands-on approach.

"We need a definition of responsible purchasing that is common to all of La Poste's business sectors so that we can see how the company is doing in this area and give an accurate report on it to our own customers and Group stakeholders," said Antoine Doussaint, Group Purchasing Director.

Since there is no simple definition of a responsible purchase, the standards drawn up

by the Group revolve around 23 questions to self-assess responsibility throughout the purchasing process, looking at the needs of buyer, the supplier's commitment, certification and the product and service life cycle. This tool does much more than a definition - it lets all purchasers evaluate the purchases they make in a very practical and down-to-earth way.

Some key initiatives

Local purchasing: strengthening ties with the local community

In addition to the method and tools distributed to buyers in all of La Poste's business sectors and subsidiaries, a number of initiatives have been launched to boost responsible purchasing in France's regions. A regional platform for responsible purchasing was set up in the Pays-de-la-Loire region in March 2011, for example. Its goal is: "To bolster the expertise of local buyers in Mail, the Retail Brand, La Banque

“No responsible development without responsible purchasing”

”

Postale, the local Property Department, subsidiaries and divisions with a national reach; to encourage new initiatives; to compare experiences and to promote La Poste's responsible purchasing practices to our public and private-sector customers" said Virginie Rigoulot, sustainable development representative for the Pays-de-la-Loire region and in charge of coordinating the platform. The platform has also set out to boost cooperation with sectors that work with people having disability, already widely used to contract out grounds maintenance. The goal now is to branch out and subcontract new categories of purchase, and extend subcontracting arrangements to companies helping the unemployed find work.

PAS@PAS: AN ASSOCIATION AND A CONTACT WEBSITE

The Pas@Pas association was formed by the CDAF* and a number of major companies, including Adecco Group France, Biomérieux, Bouygues Télécom, EDF, ERDF, France Télévisions, La Poste Group, PSA Peugeot Citroën, Saint-Gobain Group, Siemens and SNCF, with support from Euromed.

This non-profit association was set up specifically to promote and facilitate subcontracting to the sheltered sector (sector that employs workers having disability) and the sector working with the long-term unemployed.**

To achieve its goals, the association set up a website (www.achats-pas-a-pas.fr) since June 2010 where businesses can make contact with suppliers in the "disabled sector". It provides a way for the sheltered sector to publicise its offers and for businesses to state their requirements, fostering productive dialogue between the two sides.

* A nationwide non-profit network of buyers and company heads

** The association is open to any business that shares this objective

When La Poste spurs the market for fair-trade cotton

La Poste included its first fair-trade cotton garment in its uniform catalogue in 2005. It was originally hoping to sell 30,000 and finally sold 90,000. In 2007, all the 100%-cotton articles in the catalogue (10 product references) switched to fair-trade cotton. And so on and so forth... As a result, postal workers have ordered more than 1 million fair-trade cotton garments since 2006. That is 60% of the fair-trade-cotton clothing sold to professionals in France. In 2008, La Poste bought 87% of the total fair-trade-cotton clothing certified by Fairtrade/Max Havelaar via mail-order channels. La Poste has also renewed its partnership with Armor Lux through 2014. This partnership is rooted in social ethics and sustainable development, and entails running clothing through strict quality-control checks, tracking it, guaranteeing security, fulfilling the International Labour Organization's founding conventions, and including fair-trade products. The Armor-Lux Group has adopted a social responsibility charter requiring its suppliers to respect fundamental human rights, labour legislation and environmental conventions. It has likewise run its production and logistics sites in Quimper (western France) through a Bilan Carbone™ (carbon audit). To take it one step further, La Poste offers the possibility others employees to also buy fair trade cotton coats.

Be proactive on Electric Vehicles market

Jean-Paul Bailly has been mandated by the French Government to gather needs of fleet managers in order to develop Electric Vehicle sector. In 2009, a working group lead by La Poste Group gathered companies, association of elected representatives and Government. In total, it is 20 companies which are engaged in an order of 23000

electric vehicles (among 10 000 for La Poste Group).

KEY FIGURES

8050 Electric bikes, 700 Electric Trolleys, 145 electric quads,
60 000 trained to eco driving

No responsible development without responsible purchasing

Users, buyers and sustainable development experts work together well before purchasing requirements surface to target products and services that are environmentally friendly and comply with social

and ethical laws. Relations between buyers and suppliers are built on a solid dialogue that results in mutual commitments and mutually beneficial improvements. La Poste gives preference to suppliers that have adopted sustainable development approaches, such as the ISO 14001 or SA8000 standards or eco-design labels, but it also encourages its long-standing suppliers to undertake this type of initiative.

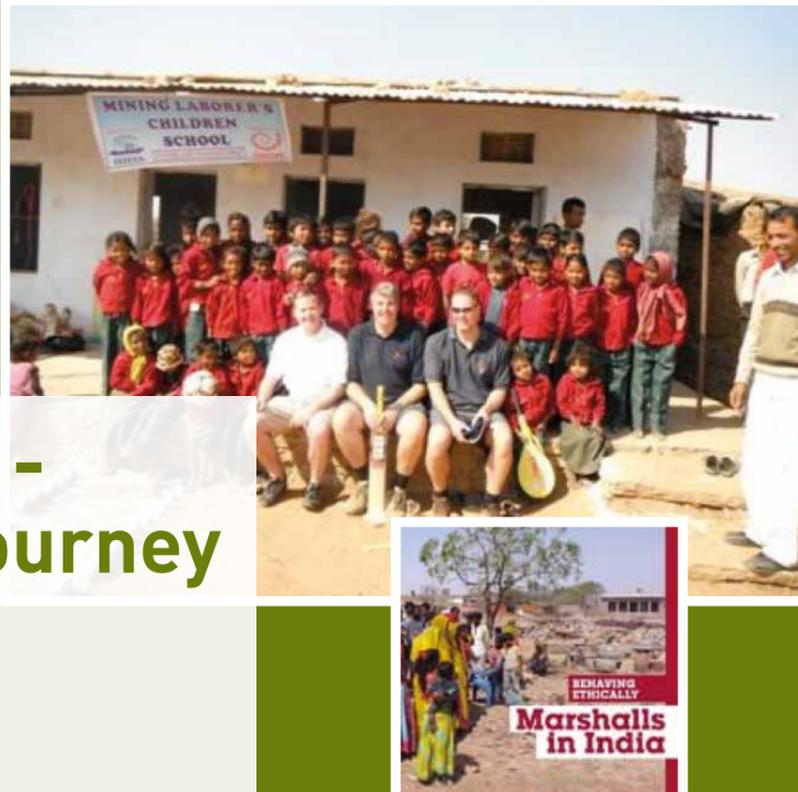


La Poste Group has developed 4 core businesses: bank (La Banque Postale), Mail, Parcels (Geopost / ColiPoste) and a retail branch. As a service producer, integrator and distributor, La Poste Group is Europe's most diversified postal operator boasting a solid foothold in all its Business Sectors. La Poste Group is France's 24th leading industrial and service group in terms of revenue (euro 20.9 billion). 73% of its operations take place in competitive markets and 16% of its revenue comes from international activities in 2010. Since 1 January 2011, La Poste no longer has the monopoly because mail weighing less than 50 g was liberalised. Since then, 100% of its activities are open to competition.

www.laposte.fr

Marshalls Plc - Fairstone™ Journey

by **Chris Harrop**,
Group Marketing Director,
Marshalls plc



The Truth About Indian Sandstone

Marshalls Fairstone™ journey began in 2005, a time of negative media coverage about child labour and workers' conditions in the supply chain of Indian sandstone to the UK and European markets. This together with the findings from the 2005 Budhpura Ground Zero Sandstone Quarrying in India Report, (<http://www.indianet.nl/budhpura.pdf>) and ongoing denial regarding supply chain issues by the stone sector, both in the UK and overseas, prompted Marshalls to grasp the ethical and moral issues, operational and logistical challenges, social and economic benefits, and potential commercial advantages of delivering an ethically sourced sandstone product to market.

Group Marketing Director, responsible for sustainability, Chris Harrop, scoured the quarrying regions of Rajasthan over many months to understand the extent of child labour.

Anti-Slavery International estimated that roughly one million children worked in India's stone quarries (ILAB report, 2003). Various studies* also suggested that up to 25% of the workforce in quarries was made up of children.

In 2007 Marshalls committed to the Ethical Trading Initiative (<http://www.ethicaltrade.org/>) and implemented its Base Code in India. The ETI Base Code

is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice.

Choosing to work with one key supplier, Stone Shippers India, Marshalls has been able to build a relationship based on trust, share best practice plus monitor and support the implementation of

the Base Code. This has worked well over the last six years and is a model that Marshalls is seeking to replicate in its Chinese and Vietnamese operations.

Marshalls committed publicly to not only driving any potential labour from its supply chain but also to taking responsibility for educating children from the quarry areas in the company funded schools.

In late 2007 Marshalls launched a nationwide consumer campaign to highlight the issues of child labour followed by the publication

of its Truth About India Sandstone booklet to help inform and educate regarding the issues in the supply chain.

The ongoing implementation of the ETI Base Code is overseen in India by a social auditor, employed by Marshalls. It is his job to visit sites on a daily basis, work with owners and managers and to talk to workers to ensure that ETI standards are being met and maintained. His daily contact with Marshalls and weekly reports keep HQ in the UK up-to-date and fully informed. This together with ongoing workers rights education and a whistle blowing mechanism, run by a local non-governmental organisation, helps ensure that standards are maintained and workers rights upheld.

To keep UK customers and the wider public informed Marshalls also published an information booklet, 'Behaving Ethically – Marshalls in India', which tells the story of Marshalls' approach to ethical supply chains in India and highlights the Company's journey in working on the ground with a local NGO and striving to tackle issues a range of socially important issues.

“*How the UK's leading landscaping company brought the truth about Indian Sandstone to ethically conscious consumers, gained competitive advantage and created better landscapes*”

Successful NGO collaboration – Key to positive sustainable change

Marshalls has a long-term partnership with Indian non-governmental organisation (NGO) Hadoti. This relationship is instrumental to Marshalls' ability to deliver its Fairstone™ brand to market. Marshalls collaborative partnership with Hadoti has allowed it to actively challenging industry views and standards, raise consumer awareness, deliver pioneering worker programmes, undertake community consultation and engagement, take direct community action, drive supplier education & dialogue, effect positive change and ensure an ethical supply chain for Indian Sandstone.

Together Marshalls and Hadoti regularly consult with local communities and then work to deliver appropriate health, education, labour rights education, social security and women's empowerment programmes in the quarrying region of Kota in Rajasthan.

Marshalls now fully funds five permanent schools and five street schools. In 2011 346 children attended schools operating in Garada, Gawar, Bewadia, Kewadia, Kanwarpura, Palka, Loicha and Golput. All are open to the children of all quarry workers in the locality regardless of whether their parents work with Marshalls sole supplier in India.

The total number of beneficiaries of the health programme reached 35,226 in 2011. Continuous developments and improvements regarding the NGO monitoring and reporting process allow Marshalls to monitor for the needs of the community and to develop appropriate programmes, for example most recently regarding HIV & AID's screening, support and education.

A dedicated maternal health clinic programme is now firmly established as part of the ongoing health programme with 1,418 women receiving treatment in the last 12 months. In 2011 8,133 people received treatment at the monthly health camps, 12,181 people got treatments on a door-to-door basis and 482 people received specialist treatments.

Since 2007, Marshalls has enabled Hadoti to provide insurance to over 4000 workers. The number of beneficiaries is still increasing year-on-year as labourers fully understand the value of having insurance cover. After communicating and lobbying local government together with Hadoti since 2008, in 2011 the Local Government in Kota ordered compulsory social security insurance for mining labourers.

Good for society & good for business

Amidst wider stone sector denial Marshalls has taken a pioneering stance regarding supply chain issues of child labour and bonded labour.

One of the biggest challenges in bringing Fairstone™ India to market was the engagement of Marshalls sole supplier, Stone Shippers. The implementation of the ETI Base Code, the embracing of UNGC principles and the adoption of CSR required dedicated, consistent engagement and investment on Marshalls' part. This has resulted not only in bringing Fairstone™ India to market but also in the organisational development of Marshalls Indian partner. Stone Shippers now has a dedicated and strategic approach to corporate social responsibility.

Marshalls was instrumental in the formation of the ETI Stone Group. As the first member in its industry to join the ETI Marshalls was a lone voice and recognised the importance of engaging the sector as a whole in tackling key issues of child labour, health & safety, labour rights and fair pay. Initially Marshalls' work with Stone Shippers to bring an ethical India Sandstone to market was regarded with suspicion and often derision by other quarry owners in the Kota region of Rajasthan.

During 2011, and after many years of approaching the wider quarry owning fraternity in Kota, Marshalls together with the ETI, met with local quarry owners to present and discuss the benefits of ETI Base Code implementation. This meeting represented an enormous step forward in terms of improving the labour standards and working conditions of the many people employed in this industry in the Kota region. Dialogue is ongoing, with the aim of improving conditions for all quarry workers and their families.

Commercial success

As well as the positive impact on individual, families and the wider community, Marshalls is clear of the benefits of investing in and engaging with the local community. The plc was able to gain competitive advantage and launch 'Marshalls Fairstone™' to the market in the autumn of 2009. Having pioneered regarding the ethics of Indian sandstone since 2006 Marshalls launched its Fairstone™ brand to enable consumers with a conscience to buy Indian sandstone clearly identified as ethically sourced.

* Finnish Institute of Occupational Health: Child Labour in Sandstone Mines, 2002; ILAB report, 2003.


Marshalls
Creating Better Landscapes

Established in the late 1880s, Marshalls is the UK's leading manufacturer of superior natural stone and innovative concrete hard landscaping products, supplying the construction, home improvement and landscape markets. We provide the product ranges, design services, technical expertise, innovative ideas and inspiration to transform gardens, drives and public and commercial landscapes.

The Group operates its own quarries and manufacturing sites throughout the UK, including a network of regional service centres and 2 national manufacturing and distribution sites. As a major plc, Marshalls is committed to quality in everything it does, including environmental and ethical best practice and continual improvement in health and safety performance for the benefit of its 2,400 strong workforce.

www.marshalls.co.uk

Novozymes' Integrated Approach to Sustainability

by **Mette Gyde Møller**,
Sustainability Manager,
Novozymes

Sustainability has increasingly become a business driver for Novozymes over the past decade. An integrated approach has helped us move beyond a focus on sustainability as a matter of risk and cost management, and treat it as a source of business opportunities. On this journey, we have made sustainability an integral part of our corporate ambition and stakeholder engagement, and established a supportive organizational setup.

In 2009, Novozymes launched a new corporate ambition: to change the world. This is a lot to ask of a relatively small company, but we do not expect to do it alone, and fortunately we are not alone. We aim to drive the world toward sustainability together with our customers by making better use of the world's resources to meet needs for food and other consumables. One of our ambitious targets for 2015 is to help our customers save 75 million tons of CO₂ through the application of our solutions.

Novozymes' in-house life cycle assessment specialists work with colleagues in Sales & Marketing and customers to compare the environmental impact of conventional technologies and our biological solutions over their entire life cycle – from cradle to grave. This enables customers to back up their claims with solid data, and Novozymes to document our carbon footprint.

Engaging with all stakeholder groups

Collaboration with customers on developing and implementing sustainable solutions is vital for realizing our ambition. However, Novozymes goes much further than this, working closely with all players in our value chain to help drive the world toward sustainability:

Technology partners

Novozymes collaborates with research institutions around the world to develop new sustainable technologies. For example, by partnering with universities in China and inviting students to work alongside our scientists, Novozymes has been fortunate to capitalize on China's long-standing traditions and expertise in microbiology.

Suppliers

Like other manufacturing companies, Novozymes relies on a wide range of suppliers located around the globe. We expect our suppliers to balance reliability, quality, and efficiency with a drive for sustainability and innovation. These requirements form part of an integrated Supplier Performance Management program which incentivizes better sustainability performance.

Own production facilities

We have worked for many years to optimize our production by developing new and ever more efficient production strains. This has improved yields and capacity, thereby also improving energy efficiency relative to product output. We have set ambitious targets for 2015 aiming at improving our energy efficiency and CO₂ efficiency by 50% and water efficiency by 40% relative to 2005 levels.

Employees

Novozymes' employee satisfaction surveys show that sustainability is an important differentiator in attracting and retaining employees. Our employees are committed to making a difference.

“An integrated approach has helped us to treat sustainability as a source of business opportunities”

Through Novozymes' corporate citizenship program, for example, our employees work with schools around the world to share their scientific and environmental expertise with the next generation of scientists.

Customers' customers and consumers

To help our customers succeed with sustainability and understand and potentially influence the requirements of their customers, we also engage with our customers' customers. One of the first examples of this came in 2008, when Novozymes was a keynote speaker and co-host at a sustainability conference held by the world's biggest retailer, Wal-Mart, for its suppliers. In December 2011, Novozymes will be hosting a second Household Care Sustainability Summit in Copenhagen for key stakeholders from throughout the value chain for detergents, including retailers, formulators, and consumer organizations. The aim is to ensure a common understanding of consumer behavior and make the detergent industry a leader in sustainable innovation.

Regulators and public opinion leaders

Besides working to strengthen the pull for sustainable solutions, Novozymes also engages with regulators and opinion leaders with an interest in driving the world toward sustainability. The results of our life cycle assessments form the basis for our dialogue with politicians and other key players, such as NGOs, on how to establish regulation in favor of sustainable solutions to the benefit of our customers, our business, and society at large.

Investors

Investors and analysts have become more committed to sustainability over the past decade. Novozymes' stock has a strong sustainability pedigree – we have been a top performer in the Dow Jones Sustainability Indexes for the past nine years, and we have been awarded both Gold Class and Sector Leader for our performance. We also attach great importance to transparency. In 2002, Novozymes was one of the very first companies to publish an integrated annual report combining traditional financial information and sustainability data. Sustainability is also integrated into our financial roadshows, and since 2008, Novozymes has conducted annual roadshows for investors in Europe and the US with sustainability performance as their key focus.

Integrated sustainability organization

Not only do we engage and collaborate with stakeholders throughout our value chain – our whole sustainability organization mirrors this value chain and builds on multistakeholder engagement.

Novozymes set up a cross-functional Sustainability Development Board (SDB) back in 2003 as a vehicle for integrating sustainability into Novozymes' day-to-day business activities. Members include Vice Presidents from the following departments: Sourcing, R&D, Production, Sales & Marketing, Finance, People & Organization, and Corporate Positioning. Part of their responsibility

is to engage with stakeholders.

SDB develops Novozymes' sustainability strategy, which is integrated with the business strategy and takes stakeholder concerns into consideration. As part of Novozymes' trend-spotting process, SDB members share stakeholder concerns and trends before prioritizing issues to be studied in greater depth through analyses and materiality assessments. Finally, SDB sets the annual sustainability targets that form part of our corporate bonus program – 25% of an employee's bonus is dependent on achievement of corporate sustainability targets. SDB reports to Executive Management through the Executive Vice President for Stakeholder Relations. Executive Management defines strategic direction and approves sustainability strategy and targets before Novozymes' Board of Directors gives its final approval.

Key success factors

- Novozymes' unwavering **focus on sustainability as a business driver** is one of the main reasons for our ability to put sustainability at the heart of our business strategy and corporate ambition.
- Creating a **cross-functional sustainability organization and an integrated bonus program** has been essential for anchoring responsibility for driving the agenda and integrating sustainability priorities into all business initiatives.
- The use of **life cycle assessments** has enabled us to avoid talking about imagined benefits of our solutions and instead provide customers with documented claims, such as CO₂ savings, that they can use when approaching their customers and consumers.



Novozymes is the world leader in bioinnovation with revenue of DKK 10,510 million in 2011 and 5,800+ employees. Our business is industrial enzymes, microorganisms, and biopharmaceutical ingredients and is organized into two business areas, Enzyme Business and BioBusiness, each covering a number of industries. Around 14% of revenue is invested in research and development, and we currently hold more than 6,500 patents. Sustainability is an integral part of our solutions and business strategy. We enable our customers to optimize their use of raw materials and energy, thereby reducing the environmental impact of their operations. In 2011, the worldwide application of our products cut customers' CO₂ emissions by around 45 million tons.

www.novozymes.com

Sustainability in the Supply Chain: a Responsibility and an Opportunity

by **Iris Van der Veken**,
Manager Corporate Affairs Global,
Rosy Blue

Diamonds have always held a unique position in the minds of consumers. No other gem is as universally revered around the globe as a symbol of love and achievement, and no other product has such a powerful symbolic hold on our consumers' imaginations. But although a diamond may be forever, its attractiveness to the potential customer can only ever be as strong as the promise it offers. Maintaining consumer confidence in the integrity of the diamond is essential in ensuring that diamonds continue to remain a powerful and symbolic emblem of desire for generations to come.

Part of this involves creating strong desire through marketing, but of more importance is the need to maintain a strong sense of ethical integrity throughout the diamond pipeline as well as putting in place a robust process to regulate it. Only collective efforts across the supply chain can lead to a sustainable growth model. Different social, ethical and environmental issues arise along the diamond pipeline and the industry has developed a series of measures which taken together form an ethical 'shield', protecting the integrity of diamonds.

The Responsible Jewellery Council: an industry initiative that drives supply chain sustainability

The Responsible Jewellery Council (RJC) was established understanding that consumer confidence in jewellery depends on responsible business practices being applied throughout the jewellery supply chain. In May 2005, a group of 14 organisations from

a cross section of the diamond and gold jewellery business came together to form the Council for Responsible Jewellery Practices. These founding organisations were ABN AMRO, BHP Billiton Diamonds, Cartier, World Jewellery Confederation, Diamond Trading Company, Diarough, Jewelers of America, National Association of Goldsmiths (UK), Newmont Mining, Rio Tinto, Rosy Blue (NI), Signet Group, Tiffany & Co., and Zale Corporation.

The mission of the council is to promote responsible ethical human rights, social and environmental practices in a transparent and accountable manner throughout the industry from mine to retail, and to reinforce consumer and stakeholder confidence in jewellery products.

All commercial members of the RJC are required to be audited by accredited third-party auditors to verify their conformance with the RJC's Code of Practices, and become certified under the RJC system. The Responsible Jewellery Council is bringing together more than 360 Members of which 170 have been certified across the jewellery supply chain. Rosy Blue has been actively

involved from the start at Board and Committee levels and today we can proudly say that Rosy Blue (NI) is RJC certified across all its operations in 13 countries.

Materiality for Rosy Blue: focusing on what matters

To further understand and prioritise our sustainability work year after year, we have undertaken a process to evaluate the issues that are material for our organisation in the context of our busi-

ness alliance model. This process included various steps:

- Collection and mapping of all inputs
- Categorising the inputs in the context of sphere of influence
- Integration of data with our internal risk assessment
- Enhancing the process by discussing the material issues with our external advisory board

Out of this exercise the following material issues have been identified:

- **Respect for human rights:** Human rights are inherently at risk in our value chain, in many countries where we operate.
- **Working conditions:** Rosy Blue has the means and duty to protect its employees in circumstances where the legal framework does not offer guarantees of a decent job.
- **Product integrity:** Ethical sourcing and responsible business practices are at the basis of our license to operate in the market. It is our duty to protect consumer confidence.
- **Community empowerment:** We operate in many developing countries where there are socio-economic challenges. We should have a positive lasting impact, beyond our employer's responsibility.
- **Environment:** As a leader in our Industry, we understand our responsibility towards our environment and the natural habitat.

The Rosy Blue Sustainability Model: a global yet local approach

The Rosy Blue Business Alliance operates in 14 countries. As such, each alliance entity is confronted with different challenges based on the local context in which they operate. All across Rosy Blue we take a global yet local approach: we work together on a global level to develop our strategic approach while we acknowledge the local diversity within our operations. We insist that our alliance entities have strong management practices in place, providing safe working conditions, treating workers with dignity and respect, and using environmentally responsible manufacturing processes.

Our strategy is to integrate CSR in a systematic way, into all parts of our operation. This helps us to reduce costs, manage risks, minimise our impacts, attract and retain employees and strengthen our brand and business overall. At the centre of our corporate sustainability programme is the internal Rosy Blue Sustainability Standard, specifying all requirements involving compliance. This tool integrates all the requirements from the De Beers Best Practice Principles and the Responsible Jewellery Council under the umbrella of the UN Global Compact. We evaluate compliance through a rigorous internal auditing programme and work proactively with our people to drive change. Finally, external verification takes place to monitor the results of where we stand on an independent basis.

Partnership with SAI in Thailand

As the company has grown, it has worked to address social issues in its own operations and throughout its supply chain. An integral part of this process has been participating in the UN Global Compact and SA8000 certification of its key diamond processing

facility in Phitsanulok, Thailand.

Thailand is a challenging environment, where concerns about underage workers and working conditions are common. The work of diamond cutting and polishing is a highly skilled craft. Worker retention and training play a critical role in producing high quality products and maintaining strong customer relationships. Guaranteeing decent working conditions is key to achieving this goal. This is why we opted for the SA 8000 management system in 2005, which we achieved since 2006, becoming the first diamond cutting factory in the world to be certified.

The success of the company in demonstrating its social compliance set the standard for the Rosy Blue alliance and the lessons learned here were integrated into Rosy Blue's global policies and procedures.

Lessons learned

- Industry initiatives are key to create impact across the supply chain. Important is the implementation and external auditing across the full scope of one's operations
- Partnering up with initiatives such as SAI for our factories has given us a better understanding of integrating labour standards in the value chain
- Internal audit systems are important to manage integrated reporting and improve awareness on key compliance topics to your employees
- Membership to the UN Global Compact has been a natural step. It has helped us to communicate to our stakeholders.



Rosy Blue* – a client of Alrosa, BHP Billiton Diamonds and the Diamond Trading Company – is one of the world's

foremost diamantaires, with a long and distinguished history of excellence in the diamond industry. The global activities of Rosy Blue include trading of rough diamonds, manufacturing and distribution of polished diamonds and jewelry, and providing strategic alliances for its branding partners. We aim to reconcile economic growth with environmental and social responsibility. Our founding membership to the Responsible Jewellery Council and our participation to the UN Global Compact reflect this vision. Today Rosy Blue consists of two separate legal entities, one operating in India (RB I) and the other active in the rest of the world (RB NI).

https://rosyblue.blob.core.windows.net/media/Default/pdf/Rosyblue_CSR.pdf

*Rosy Blue is a common trading name used by a network of business alliance entities, which are distinct, privately owned and independently managed.

www.rosyblue.com

Social Programmes at the National Level: Our Contribution to Ukraine's Sustainable Development

by **Natalia Yemchenko**,
Director of Public Relations and Communications,
System Capital Management



Background:

SCM is the biggest professional investor in Ukraine. Every year we invest around \$2 billion in the development of our companies. We are committed to building a world-class business in Ukraine capable of competing with the leading global corporations.

We understand that sustainable development of Ukraine is a key to a long-term sustainable growth. Therefore we strive to make a big contribution to the sustainable development of the Ukrainian society by rolling out extensive social projects aimed to improve the quality of life in our local communities and encourage social and economic development of Ukraine.

Our social initiatives focus on driving reforms of Ukraine's educational system, improving energy efficiency and carrying out social partnership programmes in the regions of our operations.

Our social initiatives focus on driving reforms of Ukraine's educational system, improving energy efficiency and carrying out social partnership programmes in the regions of our operations.

Contemporary Education Programme

Reforming Ukraine's educational system has been on top of the national agenda recently as the quality of training of Ukrainians predetermines the successful development of the country and its ability to compete in the modern economy. Joint actions of the government, employers, universities and education experts are paramount for the effective reforms.

Being the biggest employer in Ukraine, SCM is interested in improving the quality of higher education of Ukrainian graduates as skilled professionals drive business success. We develop and

realize nationwide projects in education and take an active part in the dialogue with the Ukraine's educational system.

Since 2008 we have run our social programme, Contemporary Education, based on concrete steps that we take to ensure that the training of Ukrainian graduates matches the demands of the real economy. The initiative includes the following elements that encourage reforms in Ukraine's education:

“*Today SCM is the biggest national investor and corporate citizen. We are well aware that our corporate citizenship projects must match the scope of our business, and our social initiatives should be as efficient as our investments*”

Compass national university ranking

Since 2008 Compass has assessed the education in Ukrainian higher schools in the areas of finance, law, engineering/technology, IT and architecture. The ranking is led by the universities providing, in the view of young specialists and employers, the most practice-oriented training that meets demands of the real economy and guarantees a strong employment outlook with good salary and career opportunities. Compass gives a set of clear-cut criteria for university entrants to make an informed choice of school, while universities get more focused on education quality indicators and the labour market demand.

FormulaS

Launched in spring 2010, FormulaS is a series of brand new master-classes delivered

by senior managers of SCM Group and guest speakers to the students of leading Ukrainian universities. In 2010-2011, over 2,000 students in Kiev attended master classes of SCM's executives on public speaking, negotiations, eloquence, project management, investment management, career planning, social marketing, etc.

In 2012 FormulaS went national by expanding its geography and offering master classes to students in Dnepropetrovsk, Donetsk, Mariupol and Krivoy Rog.

Skills Passport

SCM partners with the European Training Foundation (ETF) and the British Council to establish a modern national qualifications framework and develop professional standards in Ukraine.

In 2011 SCM launched Skills Passport, a new project to establish professional standards. The initiative is expected to set up institutional mechanisms for partnership between businesses and the educational system as well as develop common professional standards for the labour market and the education sector.

SCM pioneered this field with its project because the professional standards developed for particular industries as part of this action are the first in Ukraine. By learning UK and EU practices, our partner universities will build new educational programmes on the professional standards that will bridge the gap between the labour market and educational system and improve the training quality.

We believe that our projects will make a big contribution to the reforms of Ukraine's higher and vocational education and help students to understand better the expectations of employers. Universities will focus more on the actual needs of the labour market, the employers will get skilled specialists and the quality of education in Ukraine will improve dramatically.

Ukrainian Energy Index

We understand that building a business competitive in Ukraine and internationally goes along with increasing the competitiveness of the entire Ukrainian economy, and firstly, with improving its energy efficiency. National competitiveness and economic security depend on how well the country uses its energy saving potential. Therefore, we invest at least \$200 million every year to improve energy efficiency at our industrial businesses. We also decided to initiate a national ranking of energy efficient regions, Ukraine Energy Index (UEI). It will map the energy saving potential of the Ukrainian economy and outline the promising areas where projects can deliver the best benefit. The ranking is compiled following the practices of the International Energy Agency and the opinion of Ukrainian and international experts. We launched the first Index in autumn 2011 and plan to make them annually improving the methodology and involving new partners. We hope that the UEI will be useful for all stakeholders of the project including regional governments, businesses and private consumers. We also hope that the UEI can serve as a basis for setting up the national energy balance, which Ukraine, regrettably, does not have at the moment.

Social Partnership Programmes

SCM sees social investments in the society development firstly as social partnership programmes that make a deep change in the quality of life in our local communities. That is why we are

moving from targeted charity and support towards comprehensive projects delivering results that ideally would be perceived by every resident in our local communities.

In 2012 SCM consolidated all social initiatives and programmes within the SCM Group into single Social Partnership Programme designed to make the towns of SCM Group's operations comfortable places to live in. The breadth (over 300 projects in 2011) and scope (over 50 towns and cities in 8 Ukrainian oblasts) of the Programme signal that the initiative is unprecedented in Ukraine. As part of the Programme we roll out local strategies to develop business and social environment and implement projects in social infrastructure, health, education, energy saving, culture and sports. We choose projects with due regard to the opinion of local residents, their priorities and needs. We are open to cooperation and invite partners (governments, international organizations, NGOs and others), which improves transparency of our projects and their efficiency.

In 2012-2014 SCM Group plans to invest over \$60 million in Social Partnership Programmes.

More information about SCM's CSR projects is available in Sustainability section at:

- our corporate website www.scmholding.com
- at the SCM Group's sustainability website www.sustainability.scm.com.ua



System Capital Management (SCM) is a professional investor and the managing company of the biggest financial and industrial group in Ukraine. The SCM Group consists of over 100 businesses and organizations in Ukraine, Russia, the European Union (Italy, Great Britain, Switzerland, Bulgaria) and the USA. We focus on mining and metals, energy, finance, telecommunications, media, real estate, retail, clay production, petroleum products trade, agriculture, pharmaceuticals trade, heavy engineering and ports. SCM is 100% owned by Ukrainian businessman Rinat Akhmetov.

www.scmholding.com

The Energy of Money for the Public and Private Good

by **Ildar Muslimov**,
Chief Managing Officer,
FC URALSIB



Today's world is just about to launch an in-depth rethinking of the essence and meaning of an enterprise. A new archetype is about to be born, based on responsibility to fellow entrepreneurs, the public, the environment and responsibility exceeding the frameworks of strategic business plans, as it concerns the well-being of future generations. Philanthropic ideas and supporting humanitarian activities accumulate tremendous amounts, meaning the energy and will to actively participate. In Russia, this stage can be defined as the period when eternal human ideals are applied to the tough business environment. Previously, ignorance towards the highest spiritual values guaranteed success. Life has taught us that it is time to change the sphere for applying accumulated wealth. Today, when assessing investment attractiveness, many investors pay significant attention to how well-balanced a Company's business model is and whether it applies responsible business conduct principles and a value-based governance system. URALSIB started to implement a social responsibility strategy from the date of its establishment. We began by signing a collective agreement with our employees and continuously upgrade corporate social programs. We encourage career and occupational growth, a healthy lifestyle and provide comfortable and safe workplaces. The Corporation's success is based on caring about the well-being of the families of 14 thousand URALSIB employees, as people confident about their future guarantee the quality of services offered and the potential that facilitates the development and growth of our

“As people confident about their future guarantee the development and growth of our business, making it interesting for customers and partners”

business, making it competitive and interesting for customers and partners.

In 2006, the fundamental technology for the strategic planning model was based on strategic maps and the Norton-Kaplan system of balanced indicators (BSC). The system traditionally uses four strategic areas, namely: resources, processes, stakeholders and results. The final result of these factors is financial profit. In 2010, following an initiative by the Corporation's Board of Directors, we began to complement this system by introducing a fifth "noble" prospect, with the noble being something for which we earn profit. Therefore, ethical principles were introduced and were supposed to come before financial profit and were to directly influence strategic planning for resources and processes. Then we try to shift the focus – our goal is to earn a profit so that we can establish and support social programs. And this is exactly the social business model that provides for higher motivation for development.

Companies had taken the next step in corporate governance evolution by introducing a system of management by values (MBV). This represents a way to change a manager's thinking, by placing people at the heart of all business processes. URALSIB was one of the first Russian companies that transitioned to MBV. For the Corporation, management by values not only develops corporate culture, but also permeates all business processes and largely determines corporate strategy.

URALSIB develops a model as a socially responsible business.

In the sphere of socially-oriented products, we distinguish two main product types: those that support strategic State projects and those that support our corporate mission, vision and values. The first group includes products aimed at housing improvement and the development of SMEs activities. For example, today, we rank in the top three for small business lending. Recently, we have started to develop in a second direction. In 2009, the Bank offered its first affinity-project "Decent Homes for Children", which was developed in partnership with the MasterCard Worldwide International Payment System. Within the program network MasterCard Standard and MasterCard Gold "Decent Homes for Children" cards are being issued, 0.5% of all transactions paid by these cards, the Bank pays from its own funds to the Victoria Children's Fund for the program to upgrade children's homes. Shortly after the card was issued, the eponymous deposit was launched, which delivers payments at a rate of 0.5% per annum on the total amount of the deposit. Thus, we help people make charitable contributions without any extra effort on their part.

In 2010, "The Year of the Open Doors" program was launched. This is a club for entrepreneurs, who benefit from educational programs. Business consultants work with them, for example, to help them choose the optimal settlement procedure with suppliers. Also, our mortgage program is based on real customer needs. To more precisely respect customers' expectations, we have created mortgage-lending centers, working on the one window system. Typically, mortgages require filling out a significant number of documents. You need to visit a realtor, a notary and a bank. We have created a convenient format for the client, which saves time and minimizes anxiety and stress. The Bank is developing a new credit policy. We are focusing on certain industries which are good enough for us with regard to the "risk/return" balance. Deeply analyzing the situation in an industry, we are getting close to implementing a system of identifying and managing environmental risks. Environmental risk for us is principally an industry-related risk. The new credit policy will include a section dedicated to assessing environmental risks in investments and credit transactions. Employees' social protection has been our priority for many years. In 2010, we added a pension insurance program to our social package. Now, our employees have the opportunity to build their retirement savings from three sources. FC URALSIB contributes substantial funds to employee funds, which an employee transfers to NPF and to the sum of public co-financing, which increases the pension deposit. We had developed this program prior to the crisis, but had failed to launch the program due to objective budget constraints. In 2010, the Corporation's financial position finally allowed us to implement this plan.

Our employees are actively involved in the corporate volunteering program. In addition to participating in Corporation-wide

charitable programs, more and more staff on their own initiative are coming to the children and organizing, for example, walking tours or master classes. Of course, we continue to assist in the traditional manner: providing necessary facilities for rooms, equipping training classes with computers, providing money for buying dishes for family groups. Our colleagues give a real address support and bring good and benefit to children in need of such care, perhaps more than others.

Other corporate social projects are "URALSIB Gives Hope: Education, Work and Housing" – the project provides orphaned children with opportunities to enter higher education institutions, to get jobs or to purchase housing with favorable conditions, "URALSIB for Equal Opportunities" and "URALSIB – the Road to Success" – the programs are intended to support children with disabilities and to arrange for the practical training of students. The best graduates became full-time employees of the Corporation, which deserves special mention. I hope they also become our teammates, as all our achievements are possible due to the professional and spirited efforts of our employees.

Today, leading global companies are trying to build their business on the basis of creativity and strong motivation, treating enterprises as an art form. And I am pleased to note that FC URALSIB's development trend is the same. We are strengthening the synergy of our own material and nonmaterial assets for the public and private good.

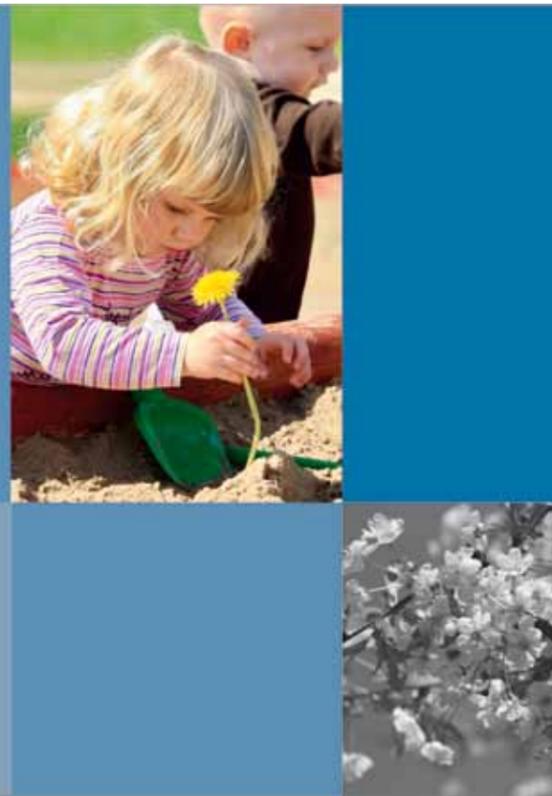


URALSIB Financial Corporation is a multi-product financial structure which operates in 56 Russian regions. The Corporation's first-rate asset is URALSIB Bank. Apart from the Bank, the Group is composed of URALSIB Leasing Company, URALSIB – Asset Management, URALSIB Private Bank, URALSIB Capital, and "URALSIB Financial Corporation" Holding Company. Interaction among companies concerning the essential issues of risk management, external and internal social policy and environmental safety is carried out in compliance with ethical business practices of common corporate culture, Russian legal requirements and internal normative documents. FC URALSIB uses an annual cycle for sustainable development reporting since 2004.

www.uralsib.com

Investment in HR: Support for Employees' Families & Family Well-Being

by **Sergei Noskov**,
Director, Administrative Directorate,
Vnesheconombank



Established in 1924, Vnesheconombank is the oldest Russian bank. Throughout its history, the Bank has developed its own corporate culture and established strong, deep-rooted traditions. Much attention is paid to cherishing such traditional values as family well-being, continuity of generations, development and education of the young.

Family values hold a special place in the Bank's corporate culture. Management recognizes that family encourages individual social activity and engagement, offers incentives for achievements, and stimulates personal aspirations for development.

Seeking to ensure its employee development, well-being and a stable family life, the Bank pursues several lines of activity. In particular, they include boosting the birth-rate, supporting families with minor children and families in challenging life circumstances, as well as reviving and continuing family traditions and relations.

In the context of these activity lines, the Bank operates long-term programmes that provide employees and their families with various social packages, benefits and compensations in addition to those set by the law.

Boosting the birth-rate

Vnesheconombank has traditionally given its comprehensive support for the families expecting a child and families with children under three years of age.

Starting from 2009, a social package for the Bank's female employees includes prenatal care and obstetric programmes as part of the voluntary medical insurance. The programmes are designed

to ensure quality medical services at best medical institutions of Moscow, specialist attention and proper hospital facilities for a mother-to-be and her baby. Furthermore, mothers-to-be are free to use the obstetric emergency service.

The Bank's employees are entitled to a lump sum benefit on the occasion of a child's birth. Moreover, the Bank renders monthly financial assistance for employees with children under three and those on a parental leave.

Such programmes are designed to ease the financial burden of a child's birth, as well as provide mother and child with quality medical services. Statistics demonstrate a significant increase in the birth-rate over the three years the programmes have been put in place.

Equally important is a wide legal and advisory support the Bank seeks to give to women going on a maternity leave and employees returning to work from a parental leave.

Every female employee due for a maternity leave is provided with comprehensive information about her rights and guarantees. Being on a maternity leave, she can obtain a full clarification of any points of concern. All issues related to female employees on a maternity leave are dealt with by a designated officer, a curator.

The back at work programme has been developed specifically for employees returning to work after a parental leave. The programme is designed to facilitate their adaptation to the workplace after a long break and help restore professional skills and knowledge. On the day of his/her return to work, an employee has an interview with the curator who informs the employee of the changes in the Bank's organizational structure, new busi-

“Family encourages individual social activity and engagement, offers incentives for achievements, and stimulates personal aspirations for development”

ness priorities, and the back at work adaptation programme. One month on, the curator meets the employee to discuss the adaptation results.

Support for families with minor children and families in challenging life circumstances

In 2012, with a view to strengthening social security for young working parents and helping cut their children's medical costs, the Bank launched a new voluntary medical insurance programme for employees' children from 0 to 3 years of age. In addition to ambulatory care at leading children's medical institutions of Moscow, the programme was enlarged to include planned and emergency hospitalization with accommodation in individual comfortable wards together with a mother. Presently, the Management considers the possibility of expanding the age range of the employees' children included in this voluntary medical insurance programme.

Annually, families with three and more children are entitled to a targeted financial aid.

Since 2009, the Bank has been paying monthly allowance to minor children of deceased employees. This measure is aimed to improve social security of the children who have lost one or both parents and provide them with social guarantees. Adult children up to 23 years of age who have lost a breadwinner are also entitled to the allowance while studying at secondary and higher education establishments. The amount of the allowance is approved by the decision of the Bank's Board on a yearly basis irrespective of a deceased employee's salary and length of service.

Reviving and continuing family traditions and relations

The Bank's family support programmes are designed to place a special focus on strengthening the institution of the family, as well as reviving and maintaining spiritual and moral traditions of the family affinity.

In order to ensure favourable conditions for child rearing, female employees with pre- and primary school age children are allowed flexible working hours.

Starting from 2008, mothers with children of 6 to 10 years of age are entitled to an additional paid leave on September 1 (the first day of a school year), or the Knowledge Day. Mothers may spend this day with their children to make the beginning of a new school year a real family celebration.

Furthermore, the Bank grants its employees an additional leave and allowance on the occasion of marriage.

A great number of the Bank's employees spend most of their working hours in the office, at the computer. This entails the risks of such widespread so-called "office" illnesses as musculoskeletal system malfunction and vegetative-vascular dystonia. In 2011, with a view to addressing these problems, the Bank developed a project on the recreation for the Bank's employees and their families at a holiday centre in the Astrakhan Region. The centre is located in the region with a well developed infrastructure, unique

historical sites, water and natural resources, as well as fishing and hunting opportunities. The project aims to maintain and improve health, reduce the infection rate and provide employees and their families with the conditions necessary to restore their labour capacity and enhance productive efficiency. The Bank pays 100% of the employees' accommodation and 80% of that of their families. Besides, the Bank partly compensates employees for their travel expenses. It is worth noting that the Bank intends to implement a number of various long-term recreation and rehabilitation projects for its employees and their families, which is a considerable part of the employee social package.

Regular sport events organized by the Bank also play an important role in promotion of a healthy lifestyle among employees and their families. The XXI Century Partners event dating back to 2002 is the oldest one. It is a summer sport festival that includes a variety of sport and recreational contests for adults and children. Such sport events help foster family values, strengthen bonds between generations, arrange leisure time activities of employees and their relatives, as well as promote a healthy lifestyle and support renowned families' traditions.

In the future, Vnesheconombank is set to continue practices that promote family values, raise living standards of the families with children, ensure favourable conditions for the working women to successfully combine their professional activities with raising children, as well as to improve the employees and their families' health.



Vnesheconombank was established in 2007 by transforming Vnesheconombank of the USSR – one of the oldest institutions in the Russian banking system. The Bank's objective is to give an extra competitive edge to the Russian economy, promote its diversification and stimulate investment processes. Vnesheconombank is a national development bank. It serves as an instrument to implement with state economic policies on:

- removing infrastructure constraints to economic growth;
- increasing efficiency of the natural resources utilization;
- developing hi-tech industries;
- unlocking innovation and production potential of small and medium enterprises; and
- promoting national exports.

www.vneb.ru/en/

Complex Approach to Sustainability - We Do Big Things for All Our Clients

by **Martina Slezáková**,
Head of CSR Unit
VUB Bank

VUB Bank has a consistent CSR strategy, based on its core business. The strategy was implemented under the management and lead of the parent company Intesa Sanpaolo. The model applied has been based on the premise that not only the bank as a whole but also each employee is the owner of responsibility in his/her day-to-day activities. The Bank considers crucial a combined approach to sustainability, addressing the needs of Bank's individual stakeholders, whether they are company owners, employees or clients. The result is the implementation of unified policies and principles including e.g. environmental policy, non-arms policy and the Equator Principles. The Bank's management actively participates in the progress and implementation of the CSR strategy. The Management Board is indeed responsible for performance in the financial, social and environmental areas; and the CEO is the internal guarantor of CSR, who personally promotes CSR principles and raises awareness on the issue. CSR principles and targets are the basis for the business plan, and the employees are educated and motivated to take part in CSR activities. All activities are regularly reported to the Bank's Management Board.

Ethics

The VUB Bank has a great responsibility to depositors, clients and shareholders. Our stakeholders expect us to do ethical business. We have to comply with a number of legal policies and we also follow rules, which are not imposed by any law and required by any authority – but which are in line with the ethical dimension

of our business. Our Code of Ethics is a system of values, binding principles and standards, which we expect each our employee to adopt. Our policies include the following:

- Gift acceptance policy;
- Internal policy for prevention of conflict of interest;
- Fighting money laundering;
- Zero tolerance on corruption and internal fraud;
- Monitoring of unusual transactions;
- Anti-corruption measures (transparent supplier selection, electronic tenders in the procurement process);
- Internal audit;
- Whistler blower policy;
- Non-arms policy.

Environmental consciousness

Even if VUB Bank activities do not cause direct impacts on the environment, but we make effort to minimize environmental negative impacts and have implemented an environmental policy.

Considering our core business, we have adopted the *Equator Principles* and have several internal rules and investment-related decisions – supporting projects with high environmental value (loans), evaluating potential ecological impact of loans and support of green corporate projects of the Slovak companies.

We have also introduced various measures aimed at reduction of waste production and waste separation as well as measures aimed at reduction of energy consumption (economical consumption of electricity in offices, operation principles for air-conditioning, heating, PC switch-off over night and on weekends). We pass the environmental message on the staff through the internal com-

munication channels – providing environment-related information and training to all staff members (e-learning course, internal ecological campaign, etc.)

Twins – joint project with responsible suppliers

Until recently, we have used recycled paper for envelopes to send clients their account statements. Nowadays we have started to use certified paper from responsibly managed forests and environmentally-friendly envelopes. The inside part of the envelopes is green, using eco-friendly colours made from renewable sources, such as soya oils, flax seeds or colza. Also the foil on the envelopes will be replaced by foils made from renewable sources that are easy to decompose and will comply with the biodegradable and composting standards. Jokingly we could say that our envelope can be put into backyard soil or flowerpot like the fertilizer. As this was the case of a partnership with our supplier – Harmanec-Kuvert paper mill – both companies have decided to do something extra. It is well-known that one ton of separated paper can save 17 trees. Therefore for each m3 of eco-friendly products supplied to VUB Bank our supplier will plant a tree in the towns where Bank's branches are located.

Spreading of CSR ideas

We can be more responsible if we have responsible clients. Therefore, we have prepared for our SME clients (small and medium entrepreneurs) education in CSR based on public seminars and learning materials (brochures). The highlight part of this project is the production of their own sustainability reports by the Bank based on the data submitted from the clients.

Another project has been launched in 2011 regarding the financial education for elementary school children, through an interactive online game. This project, unique in Slovakia, teaches children about relation to finance leading them to a responsible handling of money.

Dialogue with employees

Our Bank employs more than 3,500 people, nearly 3/4 of them are women. They were targeted by the special survey to detect their career ambitions, satisfaction with labour conditions and harmonisation of their work with family life. Opinions from the survey involving also personal meetings served as an important feedback and ground material for approximation of the current working conditions to the women and their ideas. The survey showed that VUB Bank was a place with no critical gender inequality spots and in overall the situation was assessed as good up to better in comparison with the general perception of these topics in Slovakia. The Bank elaborated a series of measures for a gradual elimination of those parts that had been identified as problematic. The measures will take effect in the course of 2012, while several of the changes to support balance between work and private life have been introduced already at the end of 2011.

Social impact

VUB Bank helps the community, where our clients, partners and employees live. We perceive our responsibility in the social sphere mainly as an investment into the society. VUB Bank engages in this area together with its Foundation. We also support the humanitarian system *Good Angel*, which helps financially cancer patients through charity payment cards (there are more than 22,700 of them). Furthermore, we supported women in starting up their businesses within the *EMMA Business Academy* project. In the field of university education, we continued in the grant scheme, which brings international guest professors to the Slovak universities as well as in supporting the development of economic science via the *Economicus* contest. This year for the first time students of economic universities had a chance to win an award for the best student project in customer satisfaction in a new international competition *Customer Satisfaction University Award*.

In the area of philanthropy, we prefer long-term initiatives aimed at preservation of cultural heritage and support of fine arts. Through the VUB Foundation, we contributed to the renewal of several historical sites and held five exhibitions of young contemporary art in the field of painting and photography.



VUB Bank is a universal bank operating primarily on the Slovak market, where it offers both retail and corporate banking services. VUB Bank was established on January 1, 1990 and it is currently the second largest bank in Slovakia. It administers deposits amounting to EUR 7.5 billion and loans worth EUR 6.9 billion. The Bank's portfolio holds currently more than 1 million retail clients, 90 thousand sole traders, 9 thousand small and medium enterprises and 600 large corporations. VUB has been one of the most profitable banks in Slovakia in recent years.

In addition to banking services, in Slovakia, VUB is active via its subsidiaries on the consumer finance and leasing markets also acts as an asset manager and pension fund provider. VUB is a member of the Intesa Sanpaolo group. VUB Bank is the founding member of the Business Leaders Forum Slovakia, established in 2004. This platform of Slovak companies who committed to do a business responsibly is the national partner organization of CSR Europe and Business in the Community. VUB Bank is the pioneer in CSR reporting in Slovakia – it has been publishing its Sustainability Report annually since 2007. It is still the only financial institution in the Slovak Republic reporting according to the Global Reporting Initiative. Since 2009 VUB Bank is a member of the UN Global Compact.

www.vub.sk

INVESTING ON SOCIETAL DEVELOPMENT

Sustainable development is not possible and sustainable businesses cannot flourish where poverty, corruption and inequality reign, and where human rights, including labour rights, women's rights and the rights of future generations are not respected and supported. Through core operations, partnerships and innovative solutions, the private sector can help empower the poor and disadvantaged, create inclusive markets and bring opportunities to the bottom of the pyramid to enhance human capabilities and freedoms.



Sustainable Energy Access in Isolated Rural Areas

by **Juan Ramón Silva**, Executive Director Sustainability and **Julio Eisman**, Microenergy Foundation Managing Director, ACCIONA



The ACCIONA Microenergy Foundation was created to focus the Company's efforts on social development activities that could meet the real demands and basic needs of the rural population in developing countries. The Foundation's goal is to work with others to increase access to basic energy, water, or infrastructure services for people and communities that lack the means to acquire such basic services.

Nearly a third of the current world population has no access to modern forms of energy, while the energy consumption pattern of developed countries is clearly unsustainable owing to its heavy reliance on fossil fuels and their environmental impacts, mainly through the effects on climate change. Lack of access to modern energy sources is limiting human development and hampering efforts to achieve the Millennium Development Goals, as recognized by the International Energy Agency and the United Nations Development Program. ACCIONA is a world leader in the renewable energy sector, and through this program, which it plans to extend to other locations, it is contributing to the development and diffusion of environmentally-friendly technologies (Principle 9 of the Global Compact) and focuses its use on aiding poorer societies in their efforts to develop.

Needs and problems of rural electrification

Peru is the South American country with the second-lowest electricity coverage and Cajamarca is the region of Peru with the lowest level of electrification. About 70 percent of households in rural areas of Cajamarca have no electricity supply. Despite considerable efforts made by central and regional governments and various other agents in the electrification sector to

expand the electricity grid, it will be many years before electricity reaches every household. The high dispersion of rural housing and the lack of road infrastructure, coupled with the local terrain and climate, makes the installation and maintenance of electrical networks costly. In this situation, Solar Home Systems (SHS) can provide basic electrical services until electricity grids reach the affected areas in 15 or 20 years.

The battery in an SHS accumulates electrical energy converted by the photovoltaic panel from the sun's energy, and allows for use (4 hours) of lights and radio or low-consumption television sets. Moreover, the battery stores energy for two days' consumption without sunlight. The impact of extending the activity by almost 50 percent is very positive and is highly valued by users who are subsequently able to utilize it for productive activities (crafts, etc.) cultural activities (reading, writing, information, etc.), or social activities (meetings, leisure, etc.).

Microenergy Peru: a model of sustainable off-grid rural electrification

The first barrier to the use of the SHS is the initial investment amount. The price is high for families with very low income, in view of the fact that it is quality equipment designed to last many years. The initial investment is carried out based on gifts of shares and other support mechanisms. For example, the Ministry of Energy and Mines is co-financing rural electrification, and although most of these funds are dedicated to grid extension, a small portion is devoted to finance investment for off-grid electrification. Therefore, the initial investment is covered through donations to Microenergy Peru, which is the owner of the SHS.

The targeted locations are selected in dialogue with the authorities and based on areas not covered by the grid extension plans, and projects are being supported by the majority of the population and its institutions. Each location has its own Electrification Committee. The second barrier to the use of the SHS is its continuity over time. It is hard to find a photovoltaic system used in isolated rural areas of developing countries, whose panels have a lifespan of 20 years, and which are operational within five years.

To solve this problem Perú Microenergy (PEME) was created; its main function is to operate and maintain the SHS. The fee-for-service management model was adopted: users pay a monthly fee to use the energy of the SHS installed in their homes. The fee paid to PEME covers the costs of maintaining the SHS in optimum operating conditions (inspections and checks to avoid failure) and over the twenty year life-span of the photovoltaic panel, replace elements which have a shorter useful life, such as the battery or the regulator. The third barrier to the use of the SHS is its affordability for end-users. There is no point in an initiative that is not affordable for the families that it sets out to help. To make sure that users could afford to use the SHS, PEME conducted socioeconomic field surveys on a significant sample of the population. The decision taken was to charge a monthly payment. They settled on the amount as most of the potential end-users were already spending an equivalent amount on candles, kerosene, batteries, battery charging, etc., which means that the new lighting systems – in addition to being more efficient and involving less risk – represent a financial savings for the majority of users. Moreover, the payments provide a total income that allows PEME to meet the costs of their commitments. The fact that the initial investment is a donation, and therefore not considered the return on investment, allows PEME to set a very affordable fee.

In Peru, networked users in poor households with a low energy consumption benefit from a cross-subsidy called FOSE, which covers about 80 percent of the charges. This type of poor family pays only 20 percent of the charges. In late 2009, the Ministry of Energy and Mines of Peru amended the regulation of the Rural Electrification Act to consider nonconventional rural electrification and development of photovoltaic rates. This regulatory reform will, lower the fees paid by end-users of an SHS, and represents a 33% significant cost savings for these families.

Each locality has elected its Electrification Committee, which takes active part in the project, both in the aspects of reporting and monitoring and in the management of fee collection. Another important aspect is the training of users, who tend to be people with very little formal education, but who need to know how to get the most from their SHS without reducing its useful life.

The success of this initiative depends on the involvement of beneficiaries and the support of their municipalities, with which PEME have signed partnership agreements.

Achievements

In 2010, 610 solar home systems has been installed, providing basic electricity supply to 610 households in the areas of San Pablo, Tum-

badén and Namora in the Department of Cajamarca. This marked the beginning of the Luz en Casa (Light at Home) program, whose goal is to provide basic electricity supply from renewable sources to 3,500 low-income families in areas where there are no plans to extend the electricity grid.

The domestic photovoltaic systems replace candles and kerosene lamps with low-watt electric lights; in addition to improving the quality of interior lighting, they do not produce smoke, and do not pose a fire risk. The lights also extend the productive day by up to four hours, enabling users to engage in handcrafts, care for animals, etc. The better lighting quality allows users to read or do school homework, i.e. improving conditions for both children and adults. The SHS also support the connection, for a few hours each day, of a low-wattage television set and a mobile phone charger, both of which help mitigate the isolation suffered by these communities. During 2011, ACCIONA Microenergy Foundation consolidated its model creating social service micro-companies to provide basic access to electricity and water, thanks to two new strategic projects. The first in Oaxaca (Mexico), where preliminary studies were carried out to launch an initiative for access to basic electricity services for disadvantaged communities without the provision of access to networks. The second, in Tuppadahali, India, where studies to identify a social project for water collection have begun as a consequence of the activities of ACCIONA Energy for the installation of a new wind farm in this location. In Peru, the Foundation has continued to support the development and institutional consolidation of Peru Microenergy, which has been recognized by the Peruvian regulatory agency, Osinergrmin, as a supplier of basic electricity.



ACCIONA is one of Spain's largest corporations and leads promotion and management activities in infrastructure, renewable energy, water and services. With more than a century of experience, the Company employs more than 30,000 professionals and is present in over 30 countries across five continents. ACCIONA shares are listed on the selective Ibex-35 stock index, and are a benchmark in the market.

As pioneers in development and sustainability, the Company has the capability to respond to challenges of achieving sustainable development throughout all business areas. One of its specific commitments is to steadily reduce its climate footprint and to lead the transition towards a low-carbon economy.

www.accionna.es

Anasoft Litera Reduces Barriers Between Nationalities

by **Jana Ohrablová**,
Marketing Manager,
Anasoft

Slovakia is a non-standard country in terms of "consumption" of its culture and art. The State finances less culture per capita, in absolute numbers and in proportion to GDP, than most of the European Union countries. The media provide less space for the reflection of culture and art than in the surrounding countries. There is general feeling in Slovakia that people need culture less than in other equally developed countries. Literature and the literary market are in a similarly unfortunate situation.

Authors consider publishing houses as non-standard. There are only a few of them and they prefer commercial literature which sells better. Such works logically receive bigger promotion in a free market environment. Publishing houses consider the distribution chain of booksellers as a non-standard element. There are only a few of them and they prefer commission sales which spoil the cash-flow for publishing houses and do not motivate booksellers to sell. Booksellers consider publishing houses and the media as non-standard. They need more producers of literature so that they do not have to depend on commercial or Czech titles which compensate for the entire production of literary works in Slovak bookshops. They would also welcome a better reflection of literature in the media.

Anasoft Software took the opportunity to listen to the needs of the expert public and understand the current situation regarding literature in Slovakia. It also used the possibility to actively participate in improving the situation through systematic and conceptual assistance.

Since 2006, Anasoft has been the general partner of *Anasoft litera* – the most prestigious and respected literary competition in Slovakia

organized by the civil association *ars_litera*. The competition is focused on the promotion of original Slovak literature, more precisely original Slovak prose. Its main mission is to raise awareness of Slovak culture through original literature which is a significant yet overseen instrument of the reflection of the society.

This renowned award can be the most visible outcome of the efforts of the *ars_litera* civil association and the general partner of the

competition, Anasoft, to enhance original Slovak fiction. However, in fact it is only a part of a well thought out concept. It lies in the constant dialogue with the general public which begins at the beginning of the year and ends at the end of the year.

Every year of *Anasoft litera* begins with the formation of a new expert panel of judges, by means of which the award begins to communicate. The organizers also create a list of all works of prose published in the past year which are automatically included in the competition. The annual change of the panel of judges and the automatic nomination of all books is difficult, but it is the most significant and objective form of nominating and evaluating the books. Creating the list summarizes and makes original Slovak production clearer and creates impulses for its assessment not only by the panel of judges, but also by the general public.

Selecting ten finalists and the subsequent managed promotion of these books is another phase. Thus, the aim is not only to select the best book, but also to promote other books. The interactive involvement of the general public in evaluating the books through SME, the influential daily newspaper, is another part of the promotion. The

“*Anasoft litera is not an ordinary literary award, it simultaneously implements the company's marketing intentions and creates a cultivated and direct dialogue with the general public on substantial values of our society*”

Jana Ohrablová, Marketing Manager,
ANASOFT

readers have the chance to choose their own winner, and experience from previous years confirms that the opinion of the general public does not copy the opinion of the panel of judges, which is another welcome impulse in the dialogue.

Benefits Not Only for the Authors

Naturally, the *Anasoft litera* literary award brings the biggest benefits to the writers. Approximately 100 original works of prose are published annually in Slovakia. The author of the best of them receives a financial reward of ten thousand Euro. The reward is definitely a distinctive motivating element, but the winning author also gains prestige, because this award is acknowledged and highly appraised not only within the cultural community but also among the general public.

The authors are the most important, but by no means the only "target group" of this project. Publishing houses are the second target group. However, the more systematic promotion of the winning and shortlisted books naturally leads to a growth in sales. *Anasoft litera* also enhances the motivation to publish books which connect high artistic quality with the ability to reflect our society in a unique way. Distributors and booksellers are another target group. Through this literary award, the winning books have media exposure as well as direct advertising in bookshops. This is promotion that they don't have to invest in and which clearly boosts book sales.

However, the "cultural public", i.e., readers or potential readers, are the most interesting target group. A literary award is a kind of compass for them amidst a large number of literary works, frequently of poor quality; it helps them to navigate uncharted waters. Frequently, works that deserve much greater attention turn out to be less distinctive titles with little marketing. However publishing houses lack funds for attracting this attention.

Anasoft litera strives to make up for this lack of attention and helps to point out what is gradually pushed to the background in the increasingly rapid commercialization of culture. The *Anasoft litera* fest, which is organized for the general public and helps to bring the literature, its authors, finalists and winner of the literary award to the public even closer, is also a significant part of this project.

Anasoft litera for Minorities

In 2011, *Anasoft litera* changed its statutes; translated titles of writers, who have Slovak citizenship but not Slovak nationality, began to be included in the competition. The aim is to also take the literature of minorities into consideration. When evaluating published Slovak translations, the panel of judges considers the year of publication of the translation as the relevant year for entering the competition. Titles written in Slovak and published abroad will also be included among the evaluated books.

Thus *Anasoft litera* has ceased to be an award for original Slovak prose and has become an award for the translation of the prose of authors living in Slovakia who are not of Slovak nationality. Slovak translations will be taken into consideration and will thus enable the panel of judges to assess the works since it is not realistic to expect them to read the works in their original languages. We realize that a translation of an original work is an interpretation; it also becomes the work of the translator and affects the quality of the original

work. In spite of this, we consider this decision as beneficial since it takes into consideration authors with two homelands.

Slovakia has a significant percentage of minorities. In the most recent census, more than 700 000 individuals, which represents approximately 13% of the population, declared themselves to be a minority. We consider the assessment of the works of writers living in Slovakia and writing in a language other than Slovak in the context of Slovak literature as a necessary step. We want to contribute to the elimination of barriers and walls, and to open communication with minorities which could primarily bring enrichment for the citizens of Slovak nationality as well as citizens of the Slovak Republic of a different nationality, as well as for the Slovak literature and the *Anasoft litera* literary award.

Part of the Long-term Strategy

Anasoft litera is not an ordinary literary award, but a project primarily built on the intensive and perceptive dialogue of the organizers and Anasoft which enabled it to simultaneously implement the company's marketing intentions and create a cultivated and direct dialogue with the general public on substantial values of our society. We have recorded a clear benefit in the direct responses and strong interest of the media and literary community brought about by this award. Similar to our other philanthropic projects, *Anasoft litera* isn't a short-term matter for us, but part of a long-term strategy. At the same time, we believe that we have inspired other companies to support domestic culture.



For 20 years Anasoft has supplied quality software solutions adapted to the needs of customers on the Slovak and foreign markets. We are one of the 10 largest software houses in Slovakia with branch offices in the Czech Republic, Germany and the United States. The main development center is in Bratislava and employs over 100 professionals.

Anasoft joined the UN Global Compact Network Slovakia in 2008. In 2009, the company won the prestigious IT Company of the Year award. The President of Anasoft was also voted 2009 Manager of the Year by the readers of the economic weekly journal TREND. Anasoft won the main national Via Bona prize in 2006 and 2007 for CSR activities and in 2010 the Via Bona prize for the long-term positive effect of the company on society and the surrounding community. We are among 14 companies that were in 2011 awarded the Certificate for Responsible Behavior by the Ministry of Economy of the Slovak Republic.

www.anasoft.com

Education Is the Choice of Winners

by **Vedran Persic**,
Head of Corporate Communication,
ASA Group

The ASA Group offers extensive business expertise and high-technology products to its customers.

Today more than ever, it is important to show to our key stakeholders that we conduct business in a responsible manner. Corporate Responsibility at ASA Group is about understanding and managing our relationships with our customers, our employees, the community in which we operate and the environment.

The ASA Group takes the role of one of the movers of the economic and social development of its local society through its support in numerous cultural and educational events and programs. With the launch of the ASA Art Gallery, the ASA Group opened its doors to Bosnia and Herzegovina's young and still unknown artists, offering them the opportunity to introduce themselves to the general public by means of exhibitions of their artistic works. Set up in a well-lit and very busy area of the ASA Group's main building, the Gallery offers its artists another chance to blend their artistic vision with the beams of sun that pour into the Gallery premises.

Conscious of the fact that quality education has a long-term positive effects on resolving poverty and unemployment, the Group gives special focus on developing Bosnia's society through the work of the Hastor Foundation, which provides scholarships for children in financial and social needs, as well as for talented children.

All the ASA Group's member companies allocate significant financial resources towards funding the education of students at all ages that live in the poorest welfare circumstances. Fur-

thermore, the Group also aims to keep its work environmentally friendly. Thus, the Group recycles its paper, with all the proceeds from the recycling being forwarded to the Hastor Foundation.

The Hastor Foundation is a non-profit organization registered in Bosnia and Herzegovina in 2006, which aims to provide support for the children and young population of the Country in their efforts to grow and develop into educated and socially aware adults. In full awareness of the fact that quality education has

long-term benefits on solving the problems inherent in Bosnian society, such as poverty and unemployment, the Hastor Foundation strives to engage children and younger generations around the world to use and expand their potential, and thus be better prepared to meet the challenges of contemporary society.

The Hastor Foundation for Bosnia and Herzegovina, as well as its German counterpart organization Hastor Stiftung are also active globally, where the activities of the two foundations are aimed at providing support in the economic development of several countries.

In maintaining a partnership with the Hastor Foundation, the ASA Group has for many years now sponsored the efforts of our youngest generations to achieve the best possible academic results and thus secure a better future.

"How much is one person useful for his community depends, first of all, upon how much are his thoughts, feeling and deeds directed towards the general improvement of society" these are the words of the world's most famous physician Albert Einstein. And

“*Good education should have a long-term effect as a way out of social problems such as poverty and unemployment*”



this is also the philosophy behind ASA Group's efforts to help the society. Our conviction is that winners always choose to invest in knowledge with the aim to be successful.

From the very beginning the Hastor Foundation supports children and students from all over Bosnia and Herzegovina who work hard and show a great amount of interest to succeed in life and also young people with hard social and economic status who are ready to improve their lives through education.



The Hastor Foundation does not represent a substitute for parents or institutions which are obliged to take care of children on everyday basis. Nevertheless, the Hastor Foundation endeavors

to prepare and support children and youth around the world to use their abilities in order to be ready for the challenges that lay ahead.

At the moment, the Hastor Foundation supports 981 children from more than 80 different communities, who attend more than 220 different schools. Most of the kids attend primary and secondary schools, but there is significant number of students as well. ASA Group takes a closer look at this category in particular. Aware of high unemployment rate in Bosnia and Herzegovina, poor economic situation and lack of business prospects, ASA Group launched the Hastor Foundation Graduate Trainee Program in 2012. The idea behind the program is to make a step further and equip the best Hastor Foundation graduates with skills, competences, experience and confidence in order to become successful future employees and business leaders. It is ASA's view that these graduates need to be competitive in the labor market of Bosnia and Herzegovina, as well as on the world market.

A team of ASA's experts has been created in January 2012 in order to organize structured Graduate Trainee Program. The team has the aim to exploit all the resources, knowledge, business needs and network of ASA Group, but also to select the potential employers that will provide graduates with adequate practice, internship and employment. A public relation and marketing strategy has also been prepared in order to introduce the activities and objectives of the Program to the general public. The same team has been engaged in a three weeks training program as well, which includes 12 modules such as: corporate governance,

corporate communication, sale skills, marketing, business administration, etc.

At the end of the program we have organized a closing ceremony at ASA Art Gallery for the distribution of certifications and awards to the participants, in the meanwhile introducing them to future employers.

"Through this program I had a chance to additionally improve my knowledge and skills. It makes me happy to see companies such as ASA Group, which did not only supported my education but also helped me to get the first job", said Ms. Emina Sijahovic, who holds a Master degree in Agriculture.

The whole program is considered a great success as all of 14 graduates that completed the program got an internship in successful Bosnian companies. ASA Group provided extracurricular education to the selected Hastor Foundation students for labor market and future employment. Now, it is up to them to prove their value.

Good education should have a long-term effect as a way out of social problems such as poverty and unemployment in a society. Bosnia's society needs support of all its members. It is just the way Nobel Prize winner from Bosnia and Herzegovina Ivo Andric says: "an ill person who accepts his illness will never recover". It is of utmost importance to have as much as possible people involved so that answers could be found to numerous questions on the way to prosperity.

ASA
GROUP

As the largest private business in Bosnia and Herzegovina, the activities of the **ASA Group** have a significant effect on the development of the economy in the Country. At the onset of its business, in 1996, the Company dealt primarily with the import, sale and transport of new vehicles and vehicle parts. However, the demands of a modern market soon directed the rapid development of the ASA Group towards other niches, including banking, leasing, insurance, consultancy and real estate. Constant investment and innovation were the key factors that strengthened its leading corporate position on the market. With its unique approach, the ASA Group has become a powerful driving force of Bosnia's economy and society.

www.asa.ba

Investing in Community by Reviving Cultural Heritage

by **Maja Kolar**,
Head of Marketing and Communications Department,
Banca Intesa Beograd



Pursuant to the Universal Declaration of Human Rights, everyone has the right to the protection of their heritage. This is inseparable from the right to participate in cultural life and constitutes one of the preconditions for sustainable growth and promotion of cultural diversity.

As the leading bank in the Serbian market and one of the most significant financial institutions in the country, Banca Intesa considers corporate social responsibility an essential element of its decision-making process and every-day business practice. Being a member of one of the most successful European banking groups, Intesa Sanpaolo, the bank is able to achieve high business performance by complying with the global standards of corporate social responsibility, along with providing constant care for the local community and the satisfaction of clients and employees as well as minimizing negative impact on the environment.

CSR overview

We at Banca Intesa believe that success lies in forming long-term relationships and earning the trust of all stakeholders by applying clear and transparent rules and policies to all business activities. Our business operations comply with the Ten Principles of the UN Global Compact, the Code of Ethics, the Policy on Not Financing Armament and the Policy on Environmental Protection.

Contributing to sustainable growth

Banca Intesa is seeking to contribute to the combat against poverty and the improvement of the quality of life in Serbia by encouraging self-employment through special low-profit loans, such as start-up lending for women and micro loans for individuals who have recently launched their own business. At the

same time, the bank is seeking to promote entrepreneurship in the country, a dedication reflected in the Blic Entrepreneur best entrepreneur contest which Banca Intesa has been organizing in cooperation with local daily Blic for five consecutive years now. Also, Banca Intesa was the first in the local market to introduce loans for pensioners above 74 years of age.

Another example of the bank's dedication to integrate CSR into its core business is the introduction of the first humanitarian payment card in Serbia that has been devised in cooperation with the Paralympic Committee with the aim of helping improve the position of athletes with disabilities in the long run and encouraging the development of paralympic sports in the country.

In addition to this, the bank is also sponsoring the School of Friendship and Friendship Card projects, which non-profit organization Nasa Srbija is implementing in order to help and protect the youngest. Thanks to the cooperation with Nasa Srbija, Banca Intesa had the opportunity to learn about the long-time existential problems of the Vitkovic family and provide a new home for them.

In an attempt to help create a healthy civil sector in the country, Banca Intesa has established cooperation with Euclid, the largest European network of non-governmental organizations, thus agreeing to participate in EU projects in Serbia aimed at strengthening the synergy between the Serbian civil sector and those in EU member states.

Feeling the pulse of customers

The analytical work of a separate organizational unit of Banca Intesa and information gained from the Listening to You 100%

client satisfaction campaign represent the starting point for creating financial solutions that fully meet the real needs, capacities and wishes of the bank's clients. Also, Banca Intesa has launched annual competition Prove Yourself 100% to provide best graduate students with an opportunity to translate their knowledge into practice by devising customer satisfaction management projects. The strong commitment to continuously exploring client satisfaction with Banca Intesa products and services enables the bank to act in line with its corporate slogan Thinking Ahead with You when working on improving its offer.

Approaching employees as the most valuable resource

Banca Intesa encourages the creation of a working atmosphere where all employees have equal chances for professional development and the achievement of their career ambitions. This is why the bank organizes both regular professional training and periodic classes, which seek to develop the so-called soft skills – communication skills, presentation skills, etc. In addition, in order to create an even more pleasant working environment, Banca Intesa intends to construct a new administrative building, in accordance with the latest global environmental standards. Apart from office space, the new building will include a kindergarten for children of the bank's employees as well as a medical and spa center.

Providing for a healthier environment

Banca Intesa is striving to constantly set examples of environmental responsibility for its suppliers and business partners. By introducing the first credit line for energy efficiency and environmentally sustainable projects in Serbia, but also acting in accordance with internal policies, such as the Policy on Environmental Protection, the bank seeks to raise awareness among all stakeholders about the latest trends in environmental protection.

The Place I Love

Owing to its specific geographic coordinates, Serbia has been the meeting (collision) point of the West and the East for centuries. Indo-European peoples (the Illyrians, the Thracians, the Celts, the Dacian), the Romans, the Slavs and the Ottomans have been coming and going, and often fighting, on our territory. Each of these anthropological units has left a characteristic mark, a testimony of the times they lived in, their customs, daily routine and culture. Today, Serbia has over 2,000 immovable cultural properties under the protection of the Republic Institute for the Protection of Cultural Monuments, including five archaeological sites and two localities under the protection of the UNESCO, which speak most comprehensively about our roots.

Wishing to remind the public of the value and importance of the Serbian cultural and historical heritage, Banca Intesa has launched a unique CSR project in the country under the name The Place I Love. The initiative aims to create the first national list of localities of special sentimental value for Serbian citizens and reconstruct three facilities or ambient units that win in an as-

sociated open competition. The project is implemented with support from the Ministry of Culture, in cooperation with non-profit organization Europa Nostra Serbia and the Republic Institute for the Protection of Cultural Monuments, and in media partnership with national broadcaster Radio Television Serbia and daily Blic. Due to its complexity, The Place I Love project is conducted in three stages: the stage of nomination of localities, the stage of voting for one of the ten most relevant proposals selected among all the nominees by an expert jury and the stage of reconstruction of three "places" that win the most votes from citizens. Banca Intesa has enabled all citizens to join the process of nomination and voting, and in order to make the process accessible to the general public as much as possible, it has created a web site at www.mestokojevolim.com, e-mail address info@mestokojevolim.rs, as well as cards designed especially for this purpose, which can be found at the bank's branch offices. Those preferring more classic communication channels were able to submit their proposals via Banca Intesa's call center, by following the instructions on the IVR.

During the first cycle of the project, launched in May 2011, citizens have nominated a total of 1,290 places and gave 200,224 votes to choose top three among the ten finalists selected by the jury. The winners of The Place I Love project first cycle are the former National Library in Kosancicev Venac in Belgrade, Belgrade's Gate in Petrovaradin and the Town Walls in Novi Pazar. The three localities are due to be refurbished in 2012.

 **BANCA INTESA**

Since it started operating in Serbia, Banca Intesa Beograd has been continuously developing the best possible financial solutions for about 1.54 million clients, listening carefully to their needs. Every day a professional team of 3,200 employees is offering the most adequate set of products and services to large corporations, small and medium-sized enterprises, private entities, local governments and non-profit organizations through a unique combination of know-how and innovative ideas, which has led the bank to the leading position in the Serbian market. Owing to the substantial international experience of its parent group, Intesa Sanpaolo, which is present in over 40 countries across the world, Banca Intesa is setting new business standards and operational objectives on a daily basis, thus contributing to the overall economic development in Serbia.

www.bancaintesa.rs



«Good for You, Sustainable for the Planet»

by **Luca Virginio**,
 Director Communication & External Relations,
 Barilla G. e R. Fratelli

Barilla manages its business in a way that is intrinsically sustainable. The mission of the Italian Food Company, founded in 1877, states that we offer people "high quality products". Barilla's family and all of Barilla's employees are convinced that giving "quality" to people does not just mean offering them good food with an excellent value for money. It also means giving them products that help them live better.

Most of all, it means helping people make the right choices for themselves and for the planet, offering products with a lower environmental footprint, respectful of labor standards, made by a company that contributes to local and global development. In other words, what the world calls sustainability, Barilla calls quality. In 2007 Barilla defined its "sustainable business model". The main issues covered by the model are nutrition principles and practices, supply chain, environmental protection, contribution to local development, human capital valorization and people listening. Barilla's sustainable business model follows three strategic guidelines:

1. Building Knowledge: to develop and share a vision on the future that contributes to solve some paradoxes related to food and nutrition, giving a strategic orientation to the daily operations of our Company.
2. Building a Sustainable Company: to manage the Company improving the quality of processes and products considering the People and the Planet.
3. Building strong Relations with the Territory: to develop the

territories in which Barilla works both with our activities and with a "social entrepreneurship" action.

These three key assets have been translated into operative goals leading the way of being of its business, the formulation and launch of our products and the alliances with all stakeholders.

Walking the Talk: the Barilla Double Pyramid: a "Research to Action"

To effectively respond to the first strategic guideline, the Barilla Center for Food & Nutrition (BCFN), the think tank founded in 2009, has developed a knowledge pool that guides the vision of the Company regarding hot topics on food and nutrition. The transfer of BCFN concepts into the Company's operations is one of the stronghold of our Model. Barilla, for example, "walks the talk" with the Double Pyramid Research, translating it into activities for People and for territories in a "Research to Action" perspective.

Double Pyramid: how it was born

In 1992 the U.S. Department of Agriculture published the first food pyramid, which provided an explanation of how to achieve a balanced diet following the principle of Mediterranean model. The Mediterranean basin eating style, associated with an healthy life-style, is considered very important for People welfare and the prevention of chronic diseases, as the cardiovascular ones. On 2010, UNESCO recognized this diet pattern as an Intangible Cultural Heritage of Italy, Greece, Spain and Morocco.

“What the world calls sustainability, Barilla calls quality. In 2007 Barilla defined its "sustainable business model", identifying its most critical areas under a sustainability point of view”

In the same year, the BCFN presented a new food pyramid in a double version, positioning foods not only in relation to their positive impact on health, but also with respect to their impact on the environment. This became a "Double Pyramid": a new nutritional-environmental pyramid placed alongside the more widely known nutritional pyramid. Looking at that, it is clear how the foods that are recommended for most frequent consumption are also those that have the lowest impact on the environment. On the contrary, the foods that are recommended for least frequent consumption are also those that have the highest impact on the environment. The lowest ecological footprint score is for cooked seasonal vegetables at 3 global m² - 0,65 kg CO₂ eq/kg, while the highest impact is for cooked red meat at 109 global m² - 26kg CO₂ eq/kg. From this new concept of the Food Pyramid we can observe how two different but equally significant goals coincide: good health and environmental protection. In 2011 the BCFN edited a second edition of the Double Pyramid Study, enforcing the environmental data. Furthermore BCFN has developed a specific version of the Double Pyramid for children, in order to value the right proteins amount needed by young ages. To know more details: www.barillacfn.com.

Embedding by the Group

The reference to the Double Pyramid has confirmed the Barilla's respect of the Mediterranean Way of Life, that has always been a milestone for our business. The Double Pyramid, however, is an action strategy for the Company, that stimulates a better production: both reformulating existing products and developing new tastes. Barilla has defined a Nutrition Advisory Board, a committee of experts in food and nutrition, that proposes a broad supply of products consistent with the Double Pyramid suggestions. During the last three years (2009-2011) 111 products have been reformulated, while new products based on an increased amount of fruit and vegetables were launched. In 2011, for example, 17 new Whole Grain products have been launched. Following the Double Pyramid Study, since 2010 Barilla has been collaborating with the Italian Ministry of Health in the program "Gain in Health" that promotes correct life-styles. At this scope, Barilla has reformulated 57 products, reducing the quantity of salt. On the other hand, even if a good part of the Barilla products could be placed at the top of the Environmental Pyramid, the ecological impacts of products and of the supply chains is continuously monitored and improved. CO₂ emissions were reduced by 18% in 2011 (compared to 2008). Water consumption by unit of finished product fell from 2.1 in 2008 to 1.7 in 2011. Integrated Supply Chain protocols allow a circle chain that involve different actors in long term strategic partnerships. For example, in 2011 the 48% of durum wheat was supplied by Integrated Contracts for High Quality and the 70% was produced locally. Walking the Talk of the Double Pyramid, furthermore, Barilla has promoted a project suggesting employees what they should

eat to be healthy and respect the Planet through its canteens' menus. "Si. Mediterraneo" represents a good way to spread the Mediterranean way among People that every day work for the company, allowing them to become Ambassadors of the Double Pyramid message. The surveys conducted show the outcome really improved the food habits of People.

According to its informative and educative role and following its strategic guideline regarding the improvement of territorial relations in operating countries, in 2010 and 2011 Barilla has brought the Double Pyramid Model in all the main Italian squares through a playful, interactive and gourmet path. The initiative has been representative of the Barilla's commitment to spread its knowledge coupled with its products. As for institutional promotion, in October 2010 the Double Pyramid has been shown during one of the BCFN Workshop at the European Parliament in Bruxelles and in January 2011 the BCFN and its researches have been presented to the Italian President and the Ministry of the Central Bank of Italy.

Finally, Barilla has also brought the Double Pyramid and the BCFN scientific publications in the Italian Embassies in France and USA, reaching their opinion leaders and decision makers.

At the heart of Barilla's sustainable business model there's the commitment to connect innovation and theory to practice through the daily work of Barilla's People. In other words, the company "walks the talk" of what the Barilla Center for Food and Nutrition disseminates throughout its stakeholders: the Double Pyramid is a good example of this approach.

Barilla
 The Italian Food Company. Since 1877.

Barilla, originally established in 1877 as a bread and pasta shop in Parma, is today one of the top Italian food groups: a leader in the pasta business worldwide, in the pasta sauces business in continental Europe, in the bakery products business in Italy and in the crispbread business in Scandinavia. The Group employs more than 13,000 people and in 2011 had net sales of euro 3.916 million. Barilla owns 41 production sites (13 in Italy and 28 outside Italy), of which 9 are directly managed mills that provide most of the raw materials for the production of its pasta and bakery products. Barilla exports to more than 100 countries. Every year about 2,500,000 tons of food products, with our brands, are featured on dining tables the world over.

www.barillagroup.com

Scaling up Food Fortification Partnerships

by **Andreas Bluethner**,
Senior Global Manager,
BASF Food Fortification/BoP,
Laura-Jane Nord,
Project Associate,
BASF Food Fortification



This case study describes how BASF developed and implemented with its partners a sustainable and cost-effective initiative to reduce micronutrient malnutrition: the fortification of staple foods with essential nutrients. BASF thereby supports the fulfillment of the Human Right to Food (and Health), improved food security and the UN Millennium Development Goals (MDGs).

The challenge

Growing populations need more food and nutrition, while food commodity prices are on the rise. At the same time the use of crops for energy production reduces peoples' access to essential nutrition, in particular for vulnerable populations living at socio-economic 'Base-of-Pyramid (BoP).

Today, more than 2 billion people worldwide are suffering from vitamin- and mineral deficiencies (VMD), one of the most prevalent and severe health challenges of our time. VMD in countries affected have crosscutting, negative effects: poor nutrition and health decrease the efficiency of labor, cause higher costs for health and higher mortality rates, and diminish people's educational opportunities. Up to 2 percent of GDP can be lost due to the impacts of VMD – also known as "hidden hunger".

In particular vitamin A deficiency (VAD) is a serious public health issue in more than 80 countries, most extensively in Africa, Asia and parts of Latin America. People affected develop eye problems leading to blindness and are suffering from weakened immunity against infectious diseases, leading to higher mortality rates, es-

pecially among young children and pregnant woman. According to UNICEF every year one million children die of vitamin and mineral deficiency.

The solution

Food Fortification, namely the addition of key nutrients to affordable staple foods – such as flour, sugar, milk and oil – can prevent or correct a demonstrated deficiency in populations affected. Using staples as a food vehicle ensures that the carried

nutrients are consumed on a regular basis and existing food patterns of the target groups are not changed. Furthermore, food fortification works market-based, as fortified foods are distributed through the regular food sales channels, no additional distribution channels need to be explored or financed.

As put forward by the Copenhagen Consensus – an expert panel of the world's top economists including four Nobel Prize laureates – in May 2008, Food Fortification has been identified as one of the best investments in human development next to supplementation (targeted distribution of capsules) and dietary diversification (long-term approach, e.g. education programs).

BASF Food-Fortification is a flagship corporate social responsibility initiative that allows BASF to address a humanitarian challenge with a sustainable business model. Food-Fortification is rooted in the business unit Human Nutrition, with a special level of engagement and pricing in currently 40+ developing countries. BASF strives in its programs for a 'dual-bottom-line' of CSR benefits and revenues aimed at sustaining a broad long-term,

“*BASF Food-Fortification is a flagship corporate social responsibility initiative that allows BASF to address a humanitarian challenge with a sustainable business model*”

scaled engagement. The achievements of Food-Fortification are featured in corporate-wide publications for BASF's stakeholders and employees, contribute to employer branding and are communicated to the 111.000 employees worldwide.

The basis of the strategic approach to food fortification and the formula of success roots in local capacity building and multi-stakeholder collaboration with local partners, people and organizations.

BASF engages, firstly, in nutrition programs based on the quality of the nutrients produced, which are valued as an important contribution to cost-effective nutrition programs. Only stable and safe nutrients can ensure demonstrated, continuous health impact of fortification programs.

Secondly, BASF provides local food producers with the technical expertise they need in order to fortify staple foods with vitamins and minerals in a safe and cost-effective manner. BASF's support includes advice on the installation of fortification equipment, necessary modifications in production processes, as well as analytic support and advice on all questions arising around handling, labeling and measurement of micronutrients and their inclusion in foods (e.g. stability, taste, color). With its partners, BASF conducts technical workshops, thereby providing training of production and laboratory personnel with up-to-date information and know-how. Furthermore, BASF shares its experience on how to develop responsible business models that allow producers to sustainably reach undernourished populations at the BoP with fortified foods, including corporate social responsibility strategies (CSR).

Thirdly, BASF engages with various complementary partners. BASF is a founding partner of SAFO, the Strategic Alliance for the Fortification of Oil and Other Staple Foods. SAFO is a development partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), and within the develoPPP.de-program. Jointly set up in 2008, SAFO has already reached more than 100 million people in several developing and emerging countries by increasing the countrywide availability of affordable vitamin A fortified staple foods. BASF invests into those partnerships financially, with human resources and research and development (R&D) efforts.

An example of these R&D efforts was the engagement for quality control programs. Based on new analytical methods, BASF developed a vitamin A semi-quantitative test kit, which comprises all necessary mobile laboratory equipment for vitamin A analysis in the size of a laptop case. It is ready to use, easy to apply, reusable and costs only euros 0.02 per analysis. It has been effectively introduced into national monitoring systems – including food producer quality control systems – in several partnering countries. The determination of the actual vitamin content in food has proven to be key to ensure a sustainable reach of the fortification programs. Under- or non-fortification in low-price food market segments is quite common, and technical means of analysis in target countries often limited.

Together with BioAnalyt, a German provider of analytical equipment, BASF now works towards providing a second generation test kit to countries with fortification programs that measures vitamin A quantitatively. The so called "iCheckChroma" is as accurate as regular laboratory equipment, but comes at the size of a large cell phone and costs only about a tenth of the regular equipment. Both test kits are highly complementary and help companies and authorities to ensure the quality in their fortification programs.

BASF is highly committed to continue investing into such PPP processes with its technical and analytical capacities so as to contribute to the shared goals of sustainably "ending malnutrition", fulfilling the Right to Food, and achieving the MDGs. Recently, BASF pledged support for the UN Framework Scaling Up Nutrition (SUN) a movement of public and private partners aiming at improving nutrition in committed target countries.

Results

The success of BASF's Food-Fortification engagement is mainly measured by the availability of affordable fortified foods for populations at risk of malnutrition, secondarily by the criteria of the overall cost-effectiveness of the intervention made.

In sum, combining developmental objectives and market-based means, BASF's Food-Fortification initiative builds and catalyzes sustainable, scalable partnership solutions to the global challenge of malnutrition, and can thereby serve as a best practice (example) within the frame of the UN Global Compact.



BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. We combine economic success, social responsibility and environmental protection. Through science and innovation we enable our customers in almost all industries to meet the current and future needs of society. Our products and system solutions contribute to conserving resources, ensuring healthy food and nutrition and helping to improve the quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF posted sales of about euros 73.5 billion in 2011 and had more than 111,000 employees as of the end of the year. BASF is a founding member of UN Global Compact and Global Compact LEAD.

We create chemistry for a sustainable future. BASF posted sales of about euros 73.5 billion in 2011 and had more than 111,000 employees as of the end of the year. BASF is a founding member of UN Global Compact and Global Compact LEAD.

www.basf.com

Outstanding Investment in Education

by **George Gongliashvili**,
Sustainable Development Initiative Coordinator -
External Affairs,
BP in Georgia

Background

As part of its Corporate Social Responsibility agenda, back in 2004, BP and its Oil & Gas Co-venturers established the long term Sustainable Development Initiative (SDI) program, aimed at contributing to sustainable socio-economic development in Georgia, Azerbaijan and Turkey. One aspect of SDI is our investment to improve the skills and knowledge base available to the energy sector and industry as a whole, as well as enterprise development in general. Since the introduction of SDI, more than a dozen projects have been completed or are currently in the implementation phase in various sectors of Georgia's economy. These projects are in collaboration with such international organizations and donor agencies as European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC), United States Agency for International Development (USAID), Millennium Challenge Corporation (MCC), German Technical Cooperation Agency (Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and others. In total, more than 30 million USD have been contributed by BP and its Co-venturers, as well as the above-mentioned financial institutions, for the benefit of Georgia.

The challenges

In 2007, BP in Georgia kicked off a new SDI project by conducting a training needs analysis, which revealed that the vast majority of the 50 companies interviewed had severely deficient project management practices, leading to cost, time and scope overruns and failed projects. The cost of this deficiency to both local Georgian companies, as well as to foreign investors that were sub-contracting those companies, ran into tens of millions of dollars. Consequently, the challenge presented to BP and our Co-Venturers, was to establish an initiative that could develop a pool of world class local project managers, with demonstrable capability through globally recognised project management certification, to help reassure

foreign investors, and to significantly raise the standard of project management in order to reduce the excessive costs and further impacts of failed projects on a nationwide scale.

The solution

It was decided that an independent educational institute should be formed to ensure the highest standard of training, the credibility required to attract students, and the very best pedagogical environment for attendees. Having secured financial support for the concept through the Oil and Gas Co-venturers in BTC and SCP Projects, BP turned to the world's leading project management solutions company, ESI International, to provide a curriculum that would lead to certification and arm students with world class project management practices, processes and tools. The third piece in the arrangement was to partner with a local institution that could provide the best classroom & administration facilities available in the capital, this being "Free University of Tbilisi". A tripartite agreement cemented the partnerships and the "Project Management College" was born (www.pmc.com.ge) in early 2009.

Benefits

In its initial 3 years, the PMC has produced 196 graduates, who were awarded the "Masters Certificate in Project Management" from The George Washington University School of Business; about half of them intend to further attain the Project Management Institute's¹ globally recognised "PMP"² Certificate. Students' respective employers are beginning to see the benefits of the new project management knowledge and skills being implemented within their organisations. The 4th year of studies has just commenced, and will have a further 40 students in training by year end. The success of the Project Management College of Georgia has been so emphatic that it has been recognised with the award for "Outstanding Investment in Education" by the Georgian Ministry of Economic Development in 2010.

As a result of the PMC intervention, Georgian business is now realising the following benefits:

- Best practice project management has arrived for many different Georgian companies, enabling them to educate their employees to perform better and work professionally together with multinational corporations
- A forum for professionals to share ideas and network whilst developing their project skills and knowledge
- An increased rate of successful projects, resulting in massive cost savings to companies, and confidence amongst foreign investors of Georgia's ability to deliver on time, within scope and budget
- Many Certified graduates are now passing on their new knowledge and skills to others within their work environment;
- The PMC is intended to be a permanent educational body, designed to continue development of new and existing project management talent on a sustainable basis

The PMC is a model example and vivid demonstration of corporate social responsibility. It is noteworthy that BP in Azerbaijan adopted the same project in 2010, based on PMC model, and launched similar project with equal success. Now BP in Turkey is also considering establishment of similar initiative.

In order to provide a training curriculum of the highest possible quality, BP leveraged its existing successful relationship with ESI International, and without inventing a new wheel, engaged this reputable training solutions company in Georgia to provide wider benefit for the country's overall development. The course instructors selected by ESI are all highly experienced trainers, typically from Europe or the US, with many years teaching experience in front of corporate audiences. They are also actively involved in project management responsibilities, ensuring their teaching remains up to date and full of 'real world' examples that help participants relate to the theory. Such an exchange of knowledge shall bring lasting benefit and mutual advantage both to BP and its local contractors, as well as to other private and public organizations of the country.

Forward-looking strategy

Due to the outstanding success of the program's initial 3 years, BP, together with ESI International and Free University of Tbilisi have just introduced a new curriculum in Programme Management, leading to the "Masters Certificate in Programme Management" from The George Washington University School of Business and the possibility to obtain PgMP³ Certificate from PMI. This is a natural progression route for the PMC alumni, if they want to manage complex initiatives involving several projects simultaneously. With only 20 places being offered per annum, this will also be a highly-demanded set of courses that will be offered to Georgian project managers willing to take senior roles and positions, from 2012 onwards.

Thanks to PMC, not only is project performance improving, but business and HR managers now have a way of measuring capability and identifying the individuals with the required skills,

when they recruit new employees. Our vision is that PMC will remain as the place for local businesses to educate their staff, in all aspects of project and program management.

Conclusion

The Project Management College initiative introduces international standards for project management excellence, which, over the longer term, will improve the local capability to manage projects, making sure that they are executed on time, within scope and within budget. It will also give foreign investors the confidence that Georgian organisations can deliver projects to world-class standards. Finally, the financial impact of poor project management costs many millions of dollars. The PMC will ultimately result in significant reduction of such cost overruns for Georgian companies, helping to ensure Georgia's continued economic development in the foreseeable future.

¹ PMI – is the world leading professional association for Project Management (www.pmi.org).

² "Project Management Professional®" – is a registered professional certificate granted by PMI to those project managers that pass the specialized test administered by the PMI.

³ "Programme Management Professional®" – is a registered professional certificate granted by PMI to those programme managers that pass the specialized test administered by the PMI.

⁴ BP's Co-venturers in the Azerbaijan-Georgia-Turkey Region are: SOCAR, Statoil, INPEX, Chevron, TPAO, ExxonMobil, ITOCHU, AzBTC Ltd., Total, Amerada Hess, Lukoil, NICO, ENI and ConocoPhillips.



BP is one of the world's largest energy companies, operating in more than 80 countries. BP first came to Georgia in 1996, and on behalf of its Co-venturers⁴ now operates 3 major pipelines: the Baku-Tbilisi-Ceyhan oil pipeline (BTC), the Western Route Export oil pipeline (WREP) and the South Caucasus gas pipeline (SCP). BP also operates an aviation fuel business at Tbilisi International Airport. Safe and reliable operations are BP's number one priority. BP aims to ensure that its presence in Georgia creates mutual advantage for itself and for those with whom it comes into contact. Using its collective experience and resources, BP seeks to respond to local needs and contribute to building the capacity of individuals, communities and institutions.

www.bpgeorgia.ge

Budimex: What Creation Is About

by **Łukasz Kubiak**,
Senior Communications Specialist,
Budimex



Reasonable resource management (raw materials, materials, energy) proves worthwhile both in business and in nature. The value engineering (VE) process implemented in Budimex has led to optimisation in the use of materials and lowered the amount of waste produced and, consequently, decreased adverse influence on the environment. When executing projects in the devastated territory of Silesia, Budimex used mining and smelting wastes from dumps. After receiving suitable permissions, such materials were used for construction of Drogowa Trasa Srednicowa (central motorway) in Zabrze.

The cubature of the Palace of Culture and Science (Pałac Kultury i Nauki, PKiN) in Warsaw is estimated at 80,000 m³, whereas only the construction of the Central Motorway in Zabrze managed to consume over 183,000 m³ of the alternative raw material from dumps, which allowed for:

- saving parallel amount of natural aggregates, acquisition of which links with the devastation of the environment,
- using raw material, which has been treated as waste up until now and which destroyed local landscape,
- limiting fuel consumption and exhaust fumes emission connected with transportation of typical aggregate by minimising the distance travelled.

Taking up activities exceeding legal and contractual demands is the real measure of true business responsibility. At the con-

struction of A1 motorway Pyrzowice-Piekary Slaskie, instead of moving the dump according to contractual demands, the company decided to recover valuable raw materials. As it turned out, 84.1% of the mass from the old dump site could be re-used. Some of it, such as rubble and crushed concrete, were used for the construction of the road. As a result, during work at the dump site from April to November 2010:

- 420,703.8 tons of waste material were extracted,
- 67,038.8 tons of waste material not suitable to re-use (15.9%) were transported to other dump sites,
- 353,665 tons of materials (84.1%) were recovered and transported.

Apart from useful soil, rubble and crushed concrete, it was possible to get over 86 tons of ferrous scrap and 68 tons of plastics.

“*The company is really engaged in keeping positive relationships with a community whose life may be disrupted by the construction work*”

Construction, especially of large infrastructure objects, is linked with particular burden to local society (e.g. noise, increased traffic connected with transport of construction materials etc.)

As in the case of environmental arrangements, consultations with the local society are carried out by investors and not by a contractor, the role usually adopted by Budimex. However, the company is really engaged in keeping positive relationships with a community whose life may be disrupted by the construction work.

On the one hand, Budimex responds to all inhabitants' signals concerning irregularities and inconveniences and it tries to



develop repair actions. On the other, it simply tries to become a “good neighbour”, who through an investment becomes a part of a community for some time. This need provoked creation of a social programme called “Domofon ICE” (ICE speak-phone).

The idea of the programme is to equip all pupils with plastic cards containing data facilitating contact with relatives in case of emergency (ICE cards), so in situations where time really counts, information on chronic diseases, allergies and drugs taken may save their lives. The acronym ICE (In Case of Emergency) is well known to rescuers all over the world and data on the card is optimally encrypted to enable its location. All children involved in the programme receive mobile phone-shaped cards together with a fluorescent holder that may easily be fixed to a backpack.

The campaign also has a wider educational dimension as it advances the principles of road safety and first aid among the young. Almost 3700 children have been included in the programme up until now. Budimex's activity is unique not only due to the fact that they managed to combine the ICE card with a fluorescent piece. It is also exceptional because the company's engagement is not limited only to the sole distribution of the cards. To bring results, they have to be used. Without this part it would be hard to discuss a real social effect of the campaign. That's why Budimex monitors to what degree they are used.

The first evaluation of the programme shows that 72% of children included in the programme carry the ICE cards fixed to their backpacks.

budimex

Budimex S.A - one of the largest construction businesses on the Polish market. General contractor of road, general and ecological construction investments. It is listed on the Warsaw Stock Exchange since 1995.

The company builds hotels, office buildings, housing estates, sports facilities, entertainment, shopping and logistics centres, warehouses, industrial buildings, motorways, express roads, ring roads and city arteries, railroad buildings and airport infrastructure. The company's operations include design and comprehensive construction of pro-eco investments: sewage treatment plants, water and sewage systems, landfills, waste incineration facilities and wind farms. The company's annual revenues exceed EUR 1 billion. Budimex is the leader in its sector in the field of CSR. The proprietary social program “Domofon ICE” is particularly worth mentioning, aimed at improving the safety of children on the road.

www.budimex.pl



Water Stewardship by the Coca-Cola System in Greece

by **Vassilios Lolas**,
Public Affairs
and Corporate Communication Director,
Coca-Cola HBC Greece

This emerging water crisis is not just a challenge for communities, NGOs and governments. It is becoming a major strategic challenge for businesses too. As a beverage company, Coca-Cola HBC Greece business depends on the availability of freshwater resources, since water is the main ingredient in our products and essential to our operations. Consequently water stewardship is a central part of our sustainability agenda. In this frame, the Coca-Cola System in Greece (Coca-Cola HBC Greece and Coca-Cola Hellas) designed the environmental program "Mission Water", which seeks to safely return to communities and nature an amount of water equivalent to what it uses in its products and their production by implementing community water programs. Through its initiatives the program aims to:

- Inform and sensitize the general public on the current situation and proper water management
- Mitigate the water shortage issue in Greek areas where the problem is more intense by implementing constructive projects
- Protect and recover the good ecological status of important wetlands and the coastal ecosystems in Greece
- Start an open dialogue among important stakeholder groups about sustainable water management.

Sustainable water management: Rainwater Harvesting Program

Rainwater harvesting (RWH) is a traditional practice that was gradually abandoned in the last decades, as a result of households' connections with the Municipal water supply system. The

purpose of the RWH program is to reintroduce and merging the old, yet effective, RWH technique with modern innovations. This technique is the most appropriate for supplying freshwater to water scarce areas. Such an area in Greece is the complex of Cycladic Islands, which has very limited water resources that do not serve the needs even of the permanent residents. The problem is becoming more intense during the summer period because of the millions of tourists. Based on previous findings in 2008, "Mission

Water" program in collaboration with the Global Water Partnership – Mediterranean (GWP-Med), the Municipal Authorities in the Cycladic islands and the Mediterranean Office for Environment Culture and Sustainable Development (MIO-ECSDE), initiated a rainwater harvesting program, to contribute in mitigating the water shortage issue in Cycladic Islands.

The program aims to offer fresh water to local communities by installing rainwater harvesting systems in public buildings, to inform and educate students and teachers about sustainable water management through its awarded educational program "the Gift of Rain" and to train local technicians on rainwater harvesting techniques.

So far, we have implemented the program in 13 Cycladic Islands by installing and repairing 30 rainwater harvesting collectors with a total capacity of 3.160.000lt of rain water. It is estimated that these systems save 4.500.000lt of water annually and improve the quality of life of more than 14.000 local inhabitants. In addition, by using the technique of reverse osmosis, which converts the rainwater to fresh water, we offer drinkable water to the local inhabitants of Syros island. Further-

“Through Mission Water program we safely return to communities and nature an amount of water equivalent to what we use in our products production and we invest in sensitizing general public”

more we have conducted educational seminars to 91 local technical workers, to ensure proper maintenance of the RWH systems but also, to draw on traditional knowhow available from local workers & authorities for revitalizing existing rainwater harvesting schemes. Finally in order to inform and sensitize the students of late middle and secondary level (11-14 years old) we have implemented the educational program called the "Gift of Rain" to 2.348 students and 326 school educators.

By the end of 2012 our aim is to have implemented this program to all Cycladic Islands.

Protection and restoration of the Wetlands and the marine ecosystem in Greece

In addition Mission Water aims to protect and restore the good ecological status of the wetlands and the marine ecosystem, since they are both valuable in terms of biodiversity and ensure the sustainability of the local communities.

Since 2008 "Mission Water" program, has undertaken several initiatives to protect and recover the good ecological status of important wetlands and the coastal ecosystems in Greece.

In particular, the program has implemented clean up activities at Kerkini Lake, a very important wetland protected by Ramsar convention in Northern Greece, for 2 consecutive years. It is worth mentioning that with the participation of 1.180 volunteers we managed to collect 3.4 tones of garbage.

Furthermore in 2011, "Mission Water" in collaboration with WWF Hellas started the implementation of the program called "Protection of the Wetlands in Crete". This environmental program aims to develop a network of active citizens that will take under their protection the wetland areas in Crete Island, which is the biggest island in Greece, and at the same time, inform and sensitize the general public about the importance of the wetlands.

Finally, "Mission Water" in collaboration with MEDASSET – Mediterranean Association to Save the Sea Turtles, launched the program "Join in and clean up", which aims to raise public awareness on waste reduction, proper disposal, recycling and to encourage community involvement. In particular, with the help of 2.515 volunteers we managed to clean 12km of coastline and collect 3 tones of recyclable materials and 1 tone of garbage in 8 regions all over Greece.

Inform and sensitize the general public about proper water use and promote an open dialogue among important stakeholder groups

Mission Water program, with the motto "Care for Water", has informed more than 5.4 million people in Greece about sustainable water management and has offered them useful water saving tips by implementing an integrated communication campaign.

The communication tools that Mission Water uses so far, have managed to attract the general public's interest. It is estimated that during these 6 years of the program's implementation approximately 5.4 million of people in Greece have been informed about sustainable water management. Mission Water messages

are distributed both in traditional media and in social media, achieving maximum audience reach every year. For the first time in 2011, in order to further enhance its efforts to inform the general public about proper water use, Mission Water developed a viral campaign with well-known Greek celebrities. The viral campaign continues to constitute one of the main communication tools in 2012 and is further reinforced by radio, print and online campaigns.

Finally, in order to initiate an open dialogue about sustainable water management, among important stakeholder groups, "Mission Water" in 2011 organized a regional conference on Advancing Non-Conventional Water Resources Management in the Mediterranean, in collaboration with the Hellenic Ministry of Environment, Energy and Climate Change, the Secretariat of the Union for the Mediterranean and the Global Water Partnership – Mediterranean.

The conference was very successful since it managed to bring under the same roof 161 water experts, governmental representatives, environmentalists, academics and representatives from important non governmental organizations from 15 Mediterranean countries. The aim of the conference was to discuss a strategic issue which is the promotion of the Non Conventional Water Resources Management techniques in the Mediterranean region as a solution for confronting the water scarcity problem in the region.



Coca-Cola HBC Greece is the biggest Greek company in production, trading and distribution of non-alcoholic beverages in the Greek market. With 43 years of successful enterprising and

constant development, Coca-Cola HBC Greece plays a significant role in the development of the Greek Economy, especially in the local communities where it operates. The Company owns 5 production Plants in Greece and offers job positions and career development opportunities to approximately 2.000 employees. Coca-Cola HBC Greece bottles, distributes and trades more than 250 different products and packages, which are produced to refresh more than 11 million Greek consumers.

www.coca-colahellenic.gr

Youth Creativity Driven Innovation

by **Viera Konová**,
Head of Internal Affairs and CSR Department
and **Elena Bročková**,
CSR and Sponsorship Specialist,
ČSOB a.s.



The starting point

At the beginning of 2010 management of Československá Obchodná Banka, a.s. (ČSOB) defined as one of the core CSR areas of its primary interest an active cooperation with universities. The main reason why to develop the idea of cooperation was an effort to minimize the gap between theory taught at universities and the real knowledge necessary in the practical business life. The situation has been bizarre, a lot of university graduates could not find a job but at the same time certain job positions have been open for a long time due to lack of qualified candidates. When considering a new program for students, human resources point of view was the main driver, but ČSOB also approached a few NGOs specializing in youth education programs requesting them to design a special program for university students leading to win-win outcomes for all involved stakeholders.

ČSOB received a very interesting proposal from Junior Achievement Slovakia (JASR), outlining ČSOB innovation camp based on active involvement of students in solving real problems from the banking practice. As this proposal matched expectations of ČSOB, Internal Relations and CSR Department in cooperation with JASR started to work on implementation of the proposed concept and ČSOB Head & Heel was born. "The proposal was a very innovative concept that actively connected students with practice. It also provided us with the opportunity to see students while working in teams on solving a real problem and see how they act and react in a real situation. Thanks

to this we could choose future employees of high quality," said Rastislav Murgaš, member of the Board responsible for HR and Services in ČSOB. The most challenging time has come when the first competition of ČSOB Head& Heel was being planned. "Within the company, we were looking for internal partners from product departments who would cooperate on the task creation from bank practice and who would find time as volunteers in favour of students and join us in ČSOB Head & Heel as consultants," comments Viera Konova, head of Internal Relations and CSR Department of ČSOB, when thinking about the beginning of ČSOB Head & Heel.

Methodology

The concept is based on bringing practical experience to students and simulates work under time pressure with new team colleagues. Sixty students divided into 20 groups consisting of 3 students in each group are supposed to solve the task from bank practice in four hours.

Each team has its consultant from ČSOB who coaches and guides the team while working on the solution. Based on presentation of the solutions to a semi-final jury consisting of top managers of the bank, six best teams are chosen to continue in the final battle. In the evaluation of solutions the jury takes into account contents of the business plan, creativity, applicability of the solution and cooperation within the team.

First year of ČSOB Head & Heel programm

First competition of ČSOB Head & Heel program took place in

October 2010 in Bratislava (the capital city of Slovakia). The task given to students was connected to deposits focusing on how to motivate clients to regularly save the money in ČSOB. Students were very active, confident and showed real creativity and proposed innovative solutions. Most successful team won paid 6 month internship in ČSOB, one outstanding student received a job offer from ČSOB and is currently working as marketing specialist in the Client focus department. ČSOB Head & Heel continued in 2011 in Banská Bystrica (central Slovakia region), where students solved the task from the area of bank accounts and continued in Košice (eastern Slovakia region). The problem of mortgages with the focus on proposing new benefits of mortgage and their communication was the task intended for involved students. "Currently the program is so popular among colleagues from business that they see it as a privilege if they get a chance to give the task right from their field for ČSOB Head & Heel," said Viera Konova whose department is responsible for the organization of ČSOB Head & Heel program.

Fresh ideas, practical experience and possibly new job

Unique and important is the role of each consultant - employee of ČSOB. Consultants coach and guide work within the team, share their knowledge and experience with students and feel responsibility for their teams. For specialists from ČSOB who participated at ČSOB Head & Heel competition during their working hours as part of their volunteering activity was this role a new and valuable experience. To be a Head & Heel consultant became like a reward for participating employees. "I appreciate the time spent on ČSOB Head & Heel competition. It always gives me a bit of a fresh air and a new positive energy from young people", said Rastislav Murgaš, who is regularly jury member of ČSOB Head & Heel. Solutions and ideas presented by students during every competition are rich source of inspiration for developing new products and business directions. Program generates several benefits for involved parties: practical experience for students, new creative and innovative ideas and solutions for ČSOB and identification of potential new employees.

Partners

As the program was created in partnership, both partners ČSOB and JASR learn from each other, share their knowledge and work side by side to achieve positive outcomes. "Partnership between the bank and NGO brings totally new opportunities for university students. It is really about innovation, it is about real challenges and it is about real meeting with business people and bankers. Our project helps young people improve skills for employability - it is very important for their successful professional life. Our main goal is to close the gap

between Business and Education", said Marcela Havrilová, general manager of Junior Achievement Slovakia.

ČSOB Head & Heel in numbers

During the first year of ČSOB Head & Heel program 120 students participated in 3 competitions. In total, 60 employees of ČSOB participated as consultants and jurors and spent 600 hours of voluntary work during ČSOB Head & Heel. Nine students from winning teams completed internship with ČSOB.



Československá obchodná banka is a leading Slovak bank with more than 40 years of tradition and is one of the strongest and most important players on the Slovak banking market. It is a universal bank offering its services to all client segments: retail clients, entrepreneurs, SME enterprises, corporate clients, institutional and private clientele. At the end of 2011, it provided its services through the network of 137 branches. 119 of them were focused on retail clients, 10 on corporate clients and 8 on private clients. The parent company and the only shareholder of ČSOB is the Belgian KBC Bank N.V. KBC Group is one of the most important players on the Belgian banking market and also one of the most important financial institutions in CEE region. ČSOB is a member of the UN Global Compact Network Slovakia since March 2010.

www.csob.sk



Delta Foundation

by **Tijana Koprivica,**
CSR Manager,
Delta Holding

Delta Foundation was established by Delta Holding as an institution involved in strategic projects with an aim to solve some long term issues, particularly in the domains of social welfare, health, education and culture. Although the Foundation supports a variety of social structures and groups, its' main focus is on children without parental care and people with disabilities. The purpose of such support is to contribute to solving specific problems and improving the quality of life.

Social Inclusion of Persons with Disabilities

Wishing to help persons with disabilities to lead independent lives, we have initiated numerous activities and programs, which preceded their employment within our company. We continuously cooperate and contact with NGOs and associations of persons with disabilities with a goal to motivate persons with disabilities to improve their working potentials and to seek employment. We provide specific training for our employees aimed to disperse the prejudices against persons with disabilities and explain the communication possibilities with them. All new buildings are designed to enable access to persons with disabilities, while existing ones are being modified to serve such purposes.

In our endeavor to involve people with mental and intellectual disabilities into society, we were faced with numerous obstacles that people with mental and intellectual disabilities face themselves. With a wish to help them, Delta Holding in cooperation with the KEC MNRO Association, has initiated a program of inclusion at the workplace, aiming to enable persons with men-

tal and intellectual disabilities to smoothly integrate into new working environment. This program is designed to improve their socialization and to enable employment of those who have the legal capacity to be employed. In accordance to the possibilities of persons with mental and intellectual disabilities professional activities have a variable schedule and last between two and five working days a week, and two to four hours per day. A couple of months prior to their employment, persons included in this

program are trained at professional workshops with the presence of a supervisor (specialist for work with persons with disabilities), engaged by company in order to perform careful monitoring of achieved progress.

As from 2008, in coordination by Delta Foundation, 304 persons with disabilities were employed at Delta Holding. Out from them 45 are with mental, 101 with physical and 148 persons with sensor disabilities.

Delta Holding's active attitude towards inclusion and employment of persons with disabilities attracted attention of international organizations. Delta Holding is a member of international organization ILO Global Business and Disability Network.

In recognition to our commitment for well-being of persons with disabilities, this year the ILO organization awarded Delta Holding with a prestigious award called Disability Matters Europe. Delta Holding is also a member of a workgroup for the inclusion of persons with disabilities – Global Compact Serbia.

In order to improve the quality of life of children and youngsters with disabilities, Delta Holding decided to build a facility, which will serve as a Daycare Center for children and youngsters with

“*Delta Holding decided to build and donate to the city of Belgrade a Daycare Center for children and youngsters with disabilities*”

disabilities. The facility will feature a modern space of 3000 m², at an estimated cost of 2 million of Euros. Daycare Center will be completed in June 2012 and donated to the city of Belgrade. Users of this institution will have a chance to improve their skills and develop their abilities through various workshops. They will also have adequate medical care, and support from professional educators. With this action, in addition to its obvious humanitarian goal, Delta Foundation is trying to revive the spirit of legacy buildings, traditionally present in Serbia at the beginning of the 20th century.

Wished to increase awareness of citizens in Serbia Delta Foundation acquired copyright permission to arrange and translate the song "Don't Laugh at Me", an unofficial hymn of marginalized groups. Numerous friends and artists have taken part in this project on a voluntary basis. The music video has been recorded in several institutions with children and adults with disabilities and can be seen on YouTube: <http://www.youtube.com/user/deltafondacija?feature=mhee>

A Better Future for Children Without Parental Care

Delta Holding's program "Fund for the future" was established in spring of 2006 with an objective to motivate the children placed in homes for children without parental care to make professional progress and reach the level of their peers who grew up in regular families, in order to increase their chances for employment and obtaining the job which provides them with more certain future. Basic principle of the Program is orientation towards the future. Program simulates reality that awaits the young people during the process of job search and selection, as well as the development of responsibility as a key factor for forming sound personality. The program lasts for two years - two semesters per annum. In addition to intensive theoretical teaching, the scholars are introduced to the work and production process in Delta Holding's member companies through this program. Also, the external pool of donors financially supports the program and offers a chance for employment in their companies to the participants after their completion of the program.

The two years Program is carried out through the following phases:

- Contest and selection of the scholars
- Scholarship followed by business and practical training
- Summer camps
- Certificates
- Employment

Expected results from the program are: growth of self-confidence; better social inclusion; improved communication and social skills, increased possibility of employment and keeping the job, gaining of the necessary experience which will result in employment thus enabling stable incomes for participants of the program and their families.

From the start of the Program 140 young people have attended and completed it. Also, under the umbrella of the "Friends of the Fund", children who did not come from homes, which partici-

pated in the Program but wanted to search for a job were also employed.

In 2010 Fund for the future formed a pool of donors who support the functioning of the Program and who also employ the scholars in accordance to their needs. Besides the members of the pool, numerous individuals have recognized importance of the Program and support these young people on their way to independence.

In 2010 Delta Foundation starts with project "Believe in Yourself" which continue till now. The idea of this project is that children without parental care spent a sport's day with the Serbian famous sportsman. Through carefully designed and chosen motivation activities, play and games, the sportsman talks with children about what makes the life of a professional sportsman – motivation to practice sports, dedication to training, believing in one selves capabilities, self confidence, support, lack of support, success and failure. Aim of this project is self-confidence increasing, development of self-consciousness and motivation of children and youth - members of homes for children without parental care.

DELTA HOLDING

Delta Holding is one of the biggest privately owned Companies in Serbia. Members of Delta Holding are involved in: agribusiness, food production, retail, export, import, representing of foreign companies, wholesale, distribution, automobile sales, real estate development, financial and insurance services. Delta Holding successfully operates in Serbia, expanding its businesses on the international market. The company fully recognizes importance and necessity of CSR, and persists at keeping the position of a respected member of corporate community through its business ethics. Delta Holding has embraced Corporate Social Responsibility as a business principle and implemented it through the quality of services and products, environmentally sustainable production and relations with the wider community.

www.deltaholding.rs

A Commitment to Support Our Most Vulnerable Customers

by **Jean-Marc Boulicaut**,
Sustainable Development Division,
EDF



In France, EDF is working with NGOs such as "Le Secours Catholique" to provide advice to vulnerable customers on energy efficiency to help them reduce their bills.

In France, 8.2 million people¹, representing some 3.6 million households and 13.5% of the population, live below the poverty² line and are more particularly affected by fuel poverty. The French statistics institute INSEE observes that 3.5 million households report that their homes are inadequately heated. In the United Kingdom, the number of households in fuel poverty was estimated at 5.5 million, i.e. 21% of the population³, at the end of 2009. In connection of the publication of his report (in March 2012)⁴, John Hills specifies that nearly 8 million people, or 2.7 million households on low incomes, face higher energy costs than middle and high-income households. Poverty is one of a number of factors causing fuel poverty, and as such, it is difficult to identify those affected; but it is necessary to do so if action is to be taken. Meanwhile, more and more people are deliberately depriving themselves of heating or lighting, making them even more difficult to spot.

Because electricity is a basic need, EDF drew up a Group position at the end of 2011. Its goal is to prevent its customers from experiencing difficulties and to help those who do. "As a responsible energy company, we make a commitment to supporting our most vulnerable residential customers. We work with Governments, Local Authorities, Non Governmental Organizations (NGOs) and other stakeholders to promote the most efficient use of energy in order to reduce consumer costs. With our partners, we also develop country-specific solutions and programs to support vulnerable households."

“As a responsible energy company, we make a commitment to supporting our most vulnerable residential customers”

Improving social housing and social mediation, two main avenues for proactive engagement

Aside from regulatory frameworks and new advisory services such as "Accompagnement énergie", (energy support) launched in France in 2011 to provide advice on such matters as tariffs, energy management and more flexible payment schedules, EDF is building partnerships to fight fuel poverty in two ways. The first is to improve the energy efficiency of social housing. Poor housing conditions trap vulnerable households in a vicious circle: the weaker the energy performance of their housing, the more energy they consume and the more difficult it is for them to achieve an adequate temperature. The problem is the same for households whose heating appliances have poor energy efficiency.

In France, EDF has undertaken to provide euro 49 million (as the main private contributor) for the "Habiter Mieux" (Live Better) program between 2011 and 2013. The program will thermally renovate 58,000 housing units belonging to fuel poor households. Launched by the state at the end of 2010, this program helps the poorest homeowners, whose housing consumes the most energy, by funding thermal renovation works. The energy saving must be at least 25%. Implementation is under "local commitment contracts" entered into by the state, ANAH (Agence nationale d'amélioration de l'habitat, the French national agency for the improvement of housing), local authorities, EDF and other partners. These local contracts set out the procedures to be followed and the resources to be provided by each party.

This commitment further supports the voluntary action taken by EDF, and in particular its support for the "2000 toits, 2000 familles" (2,000 roofs, 2,000 families) operation developed by the Fondation Abbé Pierre, which builds energy efficient social housing for disadvantaged people. In all, 2,025 families benefited from the program in 2011. Other activities are carried out in conjunction with social housing authorities. One example is a program in Gard, Southern France, where photovoltaic solar panels, LED lighting and heat pumps will reduce energy consumption by 75%. Once the works have been completed, EDF will examine the energy consumption level and continue to work with the housing authority in an advisory capacity to ensure that utility charges remain stable. In another operation – this time in Guadeloupe – EDF has set up a partnership with the department's semi-public development company (*Société d'économie mixte d'aménagement*) to promote energy-efficient appliances in social housing.

Meanwhile, EDF Energy has been working for 10 years with the London city authorities on the London Warm Zone program, which identifies the most vulnerable households and invests in energy efficiency improvements. The result: 57,000 housing units have been insulated since the beginning of the operation. In addition, EDF Energy is continuing its financial contribution, over a period of three years, to the government's Community Energy Saving Programme (CESP) aimed at improving the insulation of housing in disadvantaged neighborhoods (involving more than 100,000 housing units).

The second way in which EDF is fighting fuel poverty is by forging partnerships with social mediation structures. Without such structures, it is indeed difficult to reach out to people in difficulty and explain to them how they can obtain the assistance for which they are eligible.

By the end of 2011, EDF had set up such partnerships with nearly 200 outreach and contact points in France. It further strengthened its partnerships with the social support community in 2011 by renewing its agreement with UNCCAS (*Union Nationale des Centres Communaux d'Action Sociale, the national union of municipal social action centers*) to step up its activities carried out with social workers; signing an agreement with the Secours Populaire Français to provide fuel poverty training to volunteers who offer information and support to people in difficulty; and continuing its nationwide partnership with Unis Cités (*Médiaterre*), under which young people doing civilian service reach out to residents of underprivileged neighborhoods and help them modify their energy consumption. Following a call for projects, EDF also signed a partnership with the Fondation de France to help implement 16 projects selected on the basis of their innovative approach to fighting fuel poverty.

In Hungary, EDF DÉMÁSZ began in February 2012 to support an unpaid bills management program initiated by the Hungarian branch of the Order of Malta, providing funding of 100

million forints (about euro 336,000). Those eligible are customers meeting a number of social criteria and families whose electricity has been or is set to be cut off due to non-payment of bills. In exchange for paying 50% of their outstanding bill, they receive support in managing their energy consumption. This program follows an operation undertaken in 2009–2010 by EDF DÉMÁSZ together with the Red Cross, to which the company contributed 300 million forints (euro 1 million), aimed at helping more than 6,500 customers in difficulty. In Poland, Group companies have also made a commitment to fight fuel poverty via partnerships in a country where more than 13% of the population lives below the poverty line. EC Krakow offers heat to NGOs helping the poor, and helps the underprivileged via its Gorace Serce company foundation. In Wroclaw, Kogeneracja supports a program to help low-income households. EC Wybrzeze takes part in the web-based Pass on the Heat campaign. Members of the public can, via a dedicated website, nominate a person in their family or neighborhood who they consider to deserve EC Wybrzeze assistance. The database is used by NGOs to identify the most needy, for whom the company can then provide assistance.

1 Source: INSEE

2 Source: Fondation Abbé Pierre 2011

3 Source: Department of Energy and Climate Change, Annual report on fuel poverty statistics 2011.C

4 CASE Final Report of the Fuel Poverty Review, Getting the measure of fuel poverty, John Hills 2012



The EDF group is an integrated energy company with a presence in a wide range of electricity-related businesses: nuclear, renewable and fossil-fuel fired energy production, transmission, distribution, marketing as well as energy management and efficiency services, along with energy trading.

It is France's leading electricity operator and has a strong position in Europe (United Kingdom, Italy, countries in Central and Eastern Europe), making it one of the world's leading electrical providers as well as a recognized player in the gas industry.

www.edf.com

AS PONTES: Integrating Sustainability in Endesa's Business

by **Angel Fraile Coracho**,
Sustainability Development Manager,
Endesa

As Pontes is the largest power plant in Spain (A Coruña, Galicia), with 1,400 MW of capacity to meet about 5% of the national electricity demand. The magnitude of the associated lignite mine (1,200 hectares and nearly 200 m depth) give an idea of the importance of this power and mining complex for the Company. From 1976 to 2007, Endesa operated the lignite mine of As Pontes to fuel the adjacent power plant. During its 30 years of operation, the economic and social impact of Endesa in the area of As Pontes should also consider the various social programs developed in collaboration with local government. These activities have contributed to economic and social development making As Pontes the second municipality of Galicia in per capita income. Despite its economic performance, the power plant was an important source of pollution, mainly due to the type of fuel used and thus it became unfeasible to continue operating the plant in the same way. Additionally new European Union regulations set more stringent requirements of emissions for power plants. So with the aim of extending the power plant's life, to improve its environmental efficiency and to strengthen the Company's market position, the technological upgrading of the plant was necessary which required an investment of Euro 275 million. The solution adopted enabled the Company to establish a plan to gradually reduce mining activity through regular production at the mine until its closure in 2007 started. The reduction of the mining activity would raise significant

consequences for unemployment in the area dependant on Endesa's activity. Therefore, it is especially remarkable that this social impact was managed without major social conflicts, due to the coordinated works among local, regional and national authorities, trade unions and the company, directly involved in looking for alternative working solutions for those affected by the slowdown on Endesa's operations in the area.

“ The key success of As Pontes was its long-term vision, forecasting twenty years in advance what would happen and acting in accordance to sustainability principles ”

It is noteworthy, the collective bargaining process conducted between Endesa's Executive Committee and the unions and the agreements made with the administration allowed different mechanisms to promote employment and industrial development in the region. In December 1997, the As Pontes complex was included as a part of the State Coal Mining Plan. This allowed access to the support provided for alternative development of mining areas in infrastructure projects, business projects and training aid. Furthermore, in April 1997 Endesa, the regional government of Galicia, and the trade-union organizations signed the Economic and Industrial development plan for As Pontes. The plan was conceived to support the creation of new companies, the industrial diversification of the area and the creation of alternative employment after the closing of the lignite mine. The initial terms of the Plan were scheduled until 2001, thereafter they were extended until December 2007 and until 2012. The most important achievements of the 1997-2007 Plan were: 1.276 new jobs, 576 more than the initial objective; 20 hectares of newly constructed

industrial ground, executing 14.4 new hectares; 50 new companies thanks to the support of the plan, thus making diversification of the region's economic structure a reality; 244.8 million Euros of investment. The goals achieved so far have created the foundation for the steady social and economic development of As Pontes. The OPYDE (Office of Promotion and Economic Development) is the managing instrument of the plan (For further information: <http://www.planaspontes.com>) On the other hand, Endesa has carried out the watershed restoration of the land affected. It was one of the largest watershed restoration projects in a mining area in Spain, both by the size of the mine rubble dump and size of the lake. The objective was to return the area to a natural state, and achieve stable conditions compatible with the ecosystem to which it belongs. This action consisted of two phases: the restoration of the mine rubble dump into a rich and self-sustaining ecosystem and the creation of a lake as the best environmental solution for the coal-mine's surface.

The key to the success of the restoration of the mine rubble dump was its planning since 1998 integrated into the Mining Plan of As Pontes. The restoration design included studies to describe rubble properties and to predict their physical and chemical behaviour; definition of selection criteria of rubble disposal and their correct location into the mine dump; definition of the structure morphology of the rubble dump; planning and execution of water infrastructures; treatment of topsoil and remedial soil; evaluation of the results. The design resulted from ensuring the stability of the mine dump, the control of erosion and the development of the other restoration work; a final self-sufficient environment able to support the ecological evolution of vegetation; and the establishment of wetlands (considered the most biologically diverse of all ecosystems) increasing the biodiversity and the complexity of the restored area. The restoration of vegetation has been carried out according to the criteria of ecological complexity of the natural vegetation of the area, in order to promote the ecological succession towards a sustainable ecosystem, with a high level of biodiversity. Therefore, the rubble dump has been transformed into a rich and diverse ecosystem in a constant ecological succession. This biodiversity has also led to wildlife colonization. Furthermore, the best alternative for the coal-mining surface rehabilitation has been the establishment of a lake with a volume of 547 million m³ and 865 hectares of surface perimeter. This rehabilitation also included the revegetation of the slopes and emerging islands within the lake. Filling the coal-mining area began in 2008 and concluded in 2011.

The filling of the coal-mining area to ensure that the final result was a lake integrated into the natural environment and compatible with any application that may be assigned was a controlled process.

The key factors to achieve this objective were physical and

chemical properties of water used that should be as close as possible to the natural waters of the surrounding basins. It was also necessary to implement measures to prevent the acid waters from the coal fire-mining area. Finally, the lake will receive natural contributions (direct precipitation, runoff, river drainage, etc.) that lead to the annual renewal of its water, which will ensure the development of the flora and fauna of this wetlands, thereby forming a self-sustaining, stable natural ecosystem with a high level of biodiversity.

Today, As Pontes is the largest power station in Spain with a total of 2312.8 MW of installed capacity, owned by Endesa. The location hosts a coal power plant of 1,400 megawatts, a combined-cycle thermal plant of 850 MW and two hydroelectric plants of 62.8 MW.

Once Endesa finished the restoration project, the lake has been turned over to the Galician administration. It will provide several opportunities and affluence for the future, such as both recreational and tourist uses, industry and energy development.

The project aim of As Pontes was to return the power and mining complex at the end of its use into the same or better social, economic and environmental condition than it originally, by investing a quantity of the Company's earnings into development of local society and into environmental impact restoration. As Pontes is the exemplary model of management that Endesa wants to perform in its business: committed to the societies in which it is operating in and integrating social and environmental variables in the management of the business, according to the Sustainable Development commitment made by the Company.



ENDESA is the leading operator in the Spanish electricity sector and the largest private multinational electricity company in Latin America with a workforce of 24,732, 25 million clients and installed power of 40,141MW. The Company is part of Enel group, Italy's largest power company, and one of Europe's main listed utilities. Our aim is to supply our clients with high-quality services and excellent customer relationships, in a responsible and efficient way, creating value and returns for our shareholders, building up the professional development of our employees, participating in the development of the social environments in which we operate, and using the natural resources we need for our activity in a sustainable way.

www.endesa.com

Enabling Electricity: Providing Access to Development

by **Marina Migliorato**,
Head of CSR,
Enel



Our vision

As the history of the previous century shows, the spread of electricity was the driver for economic, social and industrial growth. At a time of economic recession, an efficient energy market and the development of innovation can, for industrialized countries, go hand in hand with economic recovery and, for emerging and poorer countries, be a source of growth by allowing wider and sustainable access to goods and services. Nowadays, more widespread access to energy can improve the lives of billions of people worldwide. In its World Energy Outlook for 2011 the International Energy Agency (IEA) estimates that 1.3 billion people currently have no access to electricity and 2.7 billion use fuels such as traditional biomass to cook on polluting and inefficient stoves.

It is also on the basis of these statistics that the General Assembly of the United Nations declared 2012 "International Year of Sustainable Energy for All" and called on institutions, companies and civil society to collaborate to extend access to energy, improve energy efficiency and increase the use of renewables.

The Enel Group, as a member of the Global Compact LEAD, supports combating energy poverty with the "Enabling Electricity" program that aims to facilitate the access of infrastructure to electricity, encourage low-cost access to electricity in low-income areas and build up and share professional know-how and skills in the energy sector. This focuses on two targets: people who live in isolated areas and disadvantaged communities in peripheral, rural and suburban areas.

Therefore, the program aims to act in three directions:

1. to guarantee access to technology and infrastructure;
2. to remove economic obstacles in low-income areas;
3. to develop and share professional know-how and skills in the energy sector ("capacity building").

We are convinced that the creation of value for business becomes sustainable and long-lasting if, at the same time, it becomes the creation of value for the community and for the environment. In 1962 Enel came into being in Italy with the aim of completing the electrification of the country, equipping it with leading-edge infrastructure and bringing electricity wherever it was needed. Today, fifty years on, Enel is renewing its mission and its commitment to the benefit of global communities and future generations.

“Rethinking strategies in order to enhance electricity access can generate value for a company when it proceeds hand in hand with increased value for communities”

*Fulvio Conti,
CEO and General Manager*

Enabling electricity

Enabling Electricity: some examples

Here below are shown some of the most significant projects which Enel is developing in the three areas listed above. The objective is to gradually enlarge the scope of intervention of "Enabling Electricity" with new projects.

ACCESS TO TECHNOLOGY AND INFRASTRUCTURE TOB (Triangle-based Omni-purpose Building)

The TOB (Triangle-based Omni-purpose Building) project aims to develop a system that can provide energy and essential services in isolated areas where these are still not available, and increase awareness of the efficient use of resources. The TOB System is an independent habitable structure which is eas-

ily assembled and completely flexible, since it is made with modular components and this enables it to be assembled in various forms depending on need. The structure, the design for which is an Enel international patent, integrates photovoltaic modules and accumulation systems, but has been designed to be able to house various technologies to exploit renewable sources on the basis of the specific resources of the various sites. Through exploitation of the available renewable resources, the system produces electricity and accumulates it to make it available when necessary.

Partnership with the World Food Program

In June 2011 Enel and the United Nations' World Food Program (WFP) signed a cooperation agreement to combat global hunger and climate change. The agreement envisages three action areas: the development of a global business model that can generate credits for the reduction of CO₂ emissions through the distribution of high-efficiency kitchens in less developed countries; the realization of photovoltaic plant on the rooftops of WFP's logistical facilities; and investments in the Program's humanitarian projects. The three initiatives are currently at the feasibility analysis stage.

Haiti – "Efficient Cook Stoves Program"

In May 2011 Enel Trade signed an agreement with D&E Green Enterprises for the realization of an initiative aimed at the production and distribution of high-efficiency kitchens in Haiti. In addition to the real and measurable reduction in greenhouse gas emissions, the project will also produce economic and social benefits for local communities, since it will contribute to mitigating the high rate of unemployment, chronic deforestation of the country and health problems arising from the use of coal as a primary fuel source for cooking.

Congo – "Pointe Noire"

As part of the project to enhance the medium voltage distribution network in the city of Pointe Noire in Congo, in order to increase the availability of electricity in the city, Enel Distribuzione has given its support to EniCongo SA for work relating to engineering, material procurement, project coordination, and the supervision of the work undertaken. The presence in situ of Enel staff since the start of the works at the end of 2011 has totaled around 70 man-months.

Brazil – "Luz para todos"

One of the most important projects for rural electrification is "Luz para todos" (Light for all) in Brazil, a national program for rural electrification aimed at populations which have no connection to the grid. The program, which is realized by the State in collaboration with the Group's distribution companies, is aimed at guaranteeing universal access to electricity in unconnected areas by means of the free connection of customers to the electricity grid. In 2011 Coelce, the Endesa Brasil distribution company, thanks to federal subsidies, connected over 15,300 homes in the State of Ceará, while Ampla, another Group company, connected over 1,100 homes in Rio de Janeiro.

OVERCOMING ECONOMIC OBSTACLES

Brazil – "Ecoelce", "Ecoampla" and Chile – "Ecochilectra"

Social action, investments in the poorest areas of the large urban centers of South America and business: Ecoelce, Ecoampla (in Brazil) and Ecochilectra (in Chile) represent a concrete example of integration between doing business and at the same time contributing to the development of society. These programs aim to stimulate, through economic incentives, the collection and recycling of waste, thus bringing together the three areas of sustainability: social, economic and environmental.

In fact these distribution companies offer discounts on electricity bills to customers in the distribution areas who bring their waste to specific collection points. The waste recovered from customers is deposited at collection points in easily accessible locations. All the waste is weighed and valued at market prices. The value is immediately recorded on the customer's electronic card and the reductions are transmitted to the billing system.

So far 400,000 people in Brazil and Chile have benefitted from these projects.

CAPACITY BUILDING

Partnership with the Barefoot College

Enel Green Power has signed an agreement for the realization of a rural electrification project in Latin America with Barefoot College, a non-governmental Indian association which since 1972 has been striving to make the most disadvantaged rural communities self-sufficient in an economically sustainable way.

The model devised by Barefoot College, which has already been successfully introduced in many countries in Asia and Africa, involves indentifying young, illiterate grandmothers (aged 35 to 50), to be put on a special training program to transform them into Barefoot Solar Engineers.



Enel is Italy's largest power company, and one of Europe's main listed utilities, employing more than 75,000 people. It is an integrated player, active in the power and gas sectors. Enel today operates in 40 countries worldwide, has over 97,000 MW of net installed capacity and sells

power and gas to around 61 million customers. Our mission is to create and distribute value in the international energy market, to the benefit of our customers' needs, our shareholders' investment, the competitiveness of the countries in which we operate and the expectations of all those who work with us. We serve the community, respecting the environment and the safety of individuals, with a commitment to creating a better world for future generations.

www.enel.com

Improving Access to Energy: Eni's Flaring Down Actions

by **Sabina Ratti**,
Senior Sustainability Vice President,
Eni S.p.A.

Access to energy is a prerequisite for development and the different distribution of energy consumption worldwide represents both a barrier to growth and a cause of inequality. Supplying energy to people who currently lack access allows Eni to indirectly but effectively pursue the UN Millennium Development Goals.

Energy consumption is heavily concentrated in certain geographical areas: around 2 billion people consume over 50% of the total annual world energy production, and more than 1.3 billion people totally lack access to electricity (source IEA). This is a particularly serious problem in Africa, where Eni operates in 16 Countries and is the leading International Oil Company in terms of hydrocarbons production, with approximately a million barrels of oil per day. Eni is also the leading international producer of electricity in oil-producing Countries. In Nigeria and in the Republic of Congo, where Eni produces about 160 and 108 thousand barrels of oil per day, respectively 49% and 63% of the population has no access to electricity due to the lack of power generation plants and distribution infrastructures (source IEA). These Countries, like others in Sub-Saharan Africa, represent the paradox of being major energy producers while suffering from energy poverty. This situation is often worsened by the practice of gas flaring,

consisting, due to a lack of suitable infrastructures, in burning the gas associated with oil production, with significant negative impacts on both the local and the global environment.

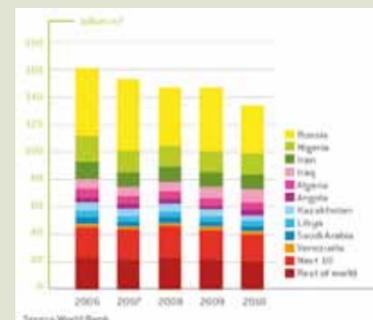
Eni has reduced flaring by over 40% in the last four years, and is investing in new energy infrastructures in order to bring this figure up to 80% by 2015. When the programme will be fully implemented, around 5 billion cubic metres of gas per year will be recovered and made available for markets in oil-producing Countries. The associated gas, if reinjected into the system, allows for a more efficient management of the reservoir, and grants the Country maximum productivity. If used in natural gas liquefaction plants, the associated gas increases export capacity and consolidates the producer's position on the international market. If the gas is used to supply the local market and produce electricity, the population of the oil-producing Country gains access to a stable and continuous supply of reliable and safe energy - a catalyst for social and, consequently, economic development.

Eni was the first International Oil Company in Africa to invest in power generation using associated gas which would otherwise be flared, becoming the leading producer of electricity among the other energy companies.

Eni has implemented major electricity generation projects in

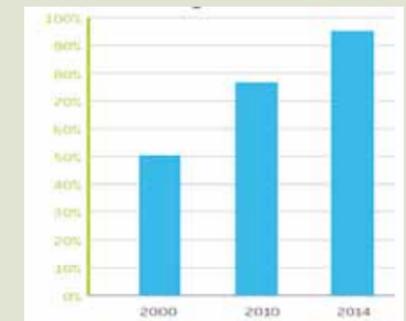
Gas flaring worldwide

In 2010 about 140 billion cubic metres of associated gas were flared. The recovery of the 15 billion cubic metres of gas flared in Nigeria could boost the local natural gas market by 50%. If the 35 billion cubic metres of gas flared in Africa were used to generate electricity in high-efficiency plants, it would produce 200 TWh - approximately 40% of the electricity demand for the whole African continent.



Percentage of eni associated gas used in Nigeria

In the late 1990's, Eni implemented the Zero Gas Flaring project in the Niger Delta, with the aim of preventing associated gas from hydrocarbons production being burnt off into the atmosphere. By the year 2000 Eni was already using 50% of the gas produced. In 2010 this figure reached 78%. By 2014, with the implementation of further projects for the reduction of gas flaring, eni expects to be able to use 95% of the associated gas.



Nigeria and Congo. These projects cover, respectively, about 20% and 60% of the electricity production in two Countries with high levels of energy poverty and among the poorest in terms of per capita income, ranked by the International Monetary Fund, respectively, 134th and 104th in the world.

In Nigeria only 51% of the population, about 158 million inhabitants, have access to electricity; in Congo, this figure drops to 27% of the population, about 4 million inhabitants (source IEA). Eni electricity generation projects are a formidable driving force for social and economic development in both Countries. In 2005, in Nigeria Eni built a 480 MW combined cycle power plant in Kwale Okpai. The plant uses the associated gas and supplies electricity to the Power Holding Company of Nigeria, which then distributes it to the end users. This was the second flaring down project worldwide and the first in Africa to be registered as a Kyoto Protocol CDM (Clean Development Mechanism) in 2006. The Kwale Okpai Plant utilises combined cycle technology to minimise heat emissions. The sustainability of electricity and steam production is guaranteed by the combination of natural gas and cogeneration combined cycle technology, the latest technology in thermal power generation. The technology and fuel utilised permit in fact the greatest efficiency in fossil fuel-fired power generation plants, reducing GHG emissions per kilowatt-hour. In order to make the contribution to energy access more effective in the Country, Eni signed a Memorandum of Understanding with the local communities impacted by its activities. The Memorandum of Understanding envisages electrification projects for the distribution of electricity to over 50 communities. 16 electrification projects were carried on in the Rivers, Bayelsa and Delta states in 2011, for a total investment of over a million Euro in access to energy initiatives. Based on its experience in Nigeria, in 2007 Eni signed a cooperation agreement with the Republic of Congo. The agreement envisages the construction of power stations that utilise the associated gas. As part of the agreement, an integrated project for the exploitation of associated gas produced in the onshore M'Boundi oilfield was initiated. The gas is collected and carried through pipeline to, the Centrale Electrique de Djeno with a current power output of 50 MW, and the new Centrale Electrique du Congo, with a current power output of 300 MW (planned for a future output of 450 MW). 80% of the Centrale Electrique du Congo is controlled by the Republic of Congo and 20% by Eni. The plant is operated with the assistance of Eni technicians. Utilising associated gas means over USD 50 million a year savings in oil imports for the Country. The electricity produced

is distributed to the Pointe-Noire area, supplying approximately 700,000 people. Compared to the Congo average per capita consumption of 157 KWh per year, consumption in the Pointe-Noire area rose to 350 KWh in 2009 and to 462 KWh in 2010. Eni also plays a key advisory role to the Country for the construction and management of electricity transmission infrastructures. Eni entered into a partnership with local institutions, public companies and an Italian electricity company, promoting collaboration for the development and modernisation of the Congolese high, medium and low voltage transmission network. Eni restored the 220kV high-voltage line from Pointe Noire to Brazzaville and connected the CEC to the national network. Furthermore it is projected to renovate and expand the medium and low-voltage distribution network at Pointe-Noire. The aim of this partnership is to increase the availability of energy for the capital, Brazzaville, and to also supply electricity to many smaller cities currently without access.

Based on these positive experiences in Nigeria and Congo, Eni drew up agreements with other Countries such as Mozambique, Ghana, Togo and Angola, characterised by low energy access rates, to explore the opportunity to replicate this model of associated gas use.



Eni is a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. In these businesses it has a strong edge and leading international market position.

Eni men and women have a passion for challenges, continuous improvement, excellence and particularly value people, the environment and integrity. Every action will be more and more based on making the most of people, contributing to the development and well-being of the communities with which it works protecting the environment, investing in the technological innovation and energy efficiency, as well as mitigating the risks of climate change.

www.eni.com

Corporate Volunteering Programme of Erste Bank Serbia

by **Ana Devetak**,
Communications Division,
Erste Bank a.d. Novi Sad



The business philosophy of Erste Bank, in addition to its aspiration to be a company that achieves good business results, includes its desire to become a long-term and stable partner to the economy and population in the country in which it operates and contribute by its continuous proactive endeavours to the stability and further development of the local society.

Aware of its social responsibility and believing that companies should align their economic and social goals, Erste Bank started to implement volunteer activities aimed at improving the quality of life in local communities.

The corporate volunteering programme of Erste Bank Serbia was launched in 2008. A formal framework for further action was set during 2009 by adopting corporate volunteering policy and procedure.

The corporate volunteering programme was launched with a desire to contribute to:

- environmental protection and improvement,
- more active efforts in local communities and
- development of volunteerism.

In addition to specific volunteering programme actions, the goal is to develop the awareness of the need for involvement in local communities among the Bank employees as well as the citizens in the places where volunteer actions are organised.

The Bank integrated corporate volunteering in its business practice and established clear principles and procedures for the implementation of volunteer activities in order to encourage its employees to participate and then initiate new actions themselves.

The volunteering activities of Erste Bank Serbia may be classified into two groups:

Group volunteering campaigns

Based on an employee survey, areas for action were defined. One major and several regional volunteering campaigns are organised every year. In addition to participating in the Bank volunteering campaigns, the volunteers support volunteering campaigns of other companies.

The following actions were organised or supported from 2008 to 2011:

- regional and local campaigns in the territory of Vršac, Obedska Bara, Čačak, Bečej, Niš, Belgrade, Bačka Palanka, Kraljevo and Pančevo
- three major campaigns at Stražilovo near Sremski Karlovci (in 2009, 2010 and 2011)
- environmental campaigns initiated by Philip Morris
- the Our Belgrade campaign organised by the Business Leaders Forum
- an environmental campaign organised by the Municipality of Vršac.

Individual volunteering of employees

The second mode of participation in the corporate volunteering programme is the so-called individual volunteering, providing the employees with an opportunity to contribute to problem resolution and acquire specific skills working with different social groups in local communities.

Significant results were achieved in this area as well. Organised by the NBS and eight commercial banks, members of the UN Global Compact Serbia, which include Erste Bank, a Personal Finance Management project was initiated in the form of free interactive workshops for citizens. The Bank employees participate in this

initiative as trainers, and lectures for the citizens were conducted in Belgrade, Novi Sad and Niš.

Erste Bank volunteers also participated in the campaign of making superhero costumes using recycled materials as part of the Belgrade Recycling Campaign Oktoopus 2 organised by the Sfera No Civil Association, Belgrade. During 2010, workshops were held at the Antun Skala Elementary School for Children with Disabilities in Belgrade. In 2011 the volunteers participated in the refurbishment of one of its classrooms. The Bank also successfully cooperates with Junior Achievement Serbia. Competitions of secondary school students in entrepreneurship were held during 2010 and 2011, with the participation of Erste volunteers as business consultants.

In addition, Erste volunteers participated as lecturers in numerous lectures or as consultants to non-governmental organisations.

The employees of Erste Bank play a key role in the implementation of volunteering programmes. The initiatives and proposals of the colleagues from various organisational units of the Bank provide a confirmation that the implementation of volunteering actions is justified and appropriate inputs for the definition of long-term guidelines. The employees take part in the planning, implementation and evaluation of volunteering campaigns. Through online survey that is continuously open via the web portal, the employees give their proposals and suggestions for the programme improvement. As part of planning of the activities for the following year, open workshops are organised for the interested Bank employees in order to organise campaigns that would be geared as much as possible towards the desires of employees but also towards the needs of the local community.

The great interest of the employees led to the establishment of the Volunteer Club, which met for the first time in late 2009 to evaluate the implemented activities and define the guidelines for next year. The start of its operation is a new page in the development of the Bank programme of employee volunteering action. The Bank regularly supports initiatives coming from its employees. One of such activities is Erste for Kraljevo after the earthquake that hit Kraljevo in October last year. The campaign included several parallel activities: provision of financial assistance by the employees, a grant by the Bank and the Trade Union, while around 25 volunteers helped repair four damaged buildings occupied by severely disadvantaged families.

By organising volunteering activities, the Bank wishes to point out to its employees that it is also important for them as individuals to get involved in resolving social problems in their environment. This also relays a message to the citizens in the communities in which campaigns are organised regarding the need for their involvement and continued improvement of a specific community.

In addition to the goals set for individual activities, the corporate volunteering programme generally brings numerous additional benefits for the employees, the community and the company and the employees join with great pleasure and enthusiasm the

activities organised by the Bank. "Good will, love, willingness to help others, understanding and tolerance, desire for personal development and improvement of the environment have led me to participate in the volunteering programme. I believe that "the little" I give may really mean a lot to someone. And sometimes just a smile is enough," Jovana Dunić, HR Division, explained her reasons for volunteer work.

Considering that the Bank was one of the first companies in Serbia committed to introducing a long-term corporate volunteering programme, its concept and strategic guidelines were developed in cooperation with Smart Kolektiv, Belgrade, which is dedicated to the promotion and establishment of corporate social responsibility practices. During the preparation and implementation of numerous volunteering activities, Erste Bank gained many partners and friends who enabled us to provide appropriate support to the development of local communities.

Last year Erste Bank's volunteering program was rewarded with two awards: Award for corporate philanthropy VIRTUS - in category volunteering and Green Leaf award - for volunteering activities in the field of environmental protection and improvement. Considering that the programme is of a long-term character, volunteer campaigns will continue to be organised. Through the implementation of the volunteering programme and the involvement of its employees, the Bank wishes to move forward and become established as a modern and desirable employer and one of the significant players in the field of corporate social responsibility in Serbia.



Erste Group has been operating in Serbia since mid-2005 when it acquired the majority stake in Novosadska Banka, the oldest financial institution in our country, established in 1864. Erste Bank a.d. Novi Sad is now a modern financial institution harmonised with the global standards, classified among the banks with the most competitive products in Serbia, both for retail and corporate customers.

The focus of Erste Bank is on operations with citizens, local communities and SMEs. Technologically advanced and innovative in the Serbian financial market, especially in the area of e-banking and card business, Erste Bank seeks to continue expanding its base of satisfied customers and increasing its market share in key segments.

www.erstebank.rs

Moving Inclusive Museum - Design for All

by **Natasa Krstic**,
Head of Marketing and Corporate
Communication Division,
EUROBANK EFG

Sometimes your best ideas emerge out of nowhere and you almost miss them when they come to you. Others are here for a while until they get deeply rooted inside you and will not let you be until you implement them. And if you are lucky, a good idea will be guided by your and your colleagues' enthusiasm until it becomes a project everyone talks about. That has been the case with the Moving Inclusive Museum. A good idea of our long-standing partner, the Inclusive Society Development Center (CRID) has quickly been turned into the implementation of the Moving Inclusive Museum. What we knew from the start was that the Museum would do what other projects could not – really focus attention on problems of persons with disabilities and make concrete steps in resolving those problems.

A common objective of the Bank and the Inclusive Society Development Center has been to present this exhibition to as many people in Serbia as possible, thus focusing public attention on the inadequacy of items for everyday use to persons with disabilities. In addition, at the start of the programme, high standards were set: the project will be successful only after some of the designs from the Museum have been produced!

Supported by the Ministry of Labor and Social Policy, Eurobank EFG and the CRID conducted a range of surveys aimed at defining the most urgent needs of persons with disabilities. From

regular contacts with NGOs to the best international experience of the European Institute for Design and Disability (EIDD) experts, surveys confirmed that successful execution of this programme required a general social consensus, through inviting the population to consider this issue and young designers to make their designs inclusive, to negotiating with production companies to complete the circle and implement rewarded designs.

The Moving Inclusive Museum has been organized to engage and motivate as many participants as possible. At the very beginning, we wished to inspire students to make their ideas inclusive and think about end-users. At a design contest from February 01 until April 02, 2010, students were to design practical items whose use would make life of persons with disabilities and their families easier. To that aim, together with the CRID, we organized a set of workshops where we presented the Design for All concept to students and showed them

how small changes in a design could make their project more useful for all members of the society. A range of workshops and public discussions was organized at all design and architecture faculties in Serbia, attended by more than 300 students, in the aim of presenting the project.

The Selection Commission, comprising international and local representatives of the European Institute for Design and Disability and experts from the Academy of Fine Arts in Bologna,

selected 27 best works for the Inclusive Museum, which has visited cities across Serbia. The number of applications for the contest confirms the success of this first phase – during the project, 300 students expressed interest in lectures on the Design for All and more than 70 design solutions were submitted for the contest. The Commission had a very difficult task of selecting 27 out of 70 excellent works for the Museum.

The Moving Inclusive Museum set off on a journey from Belgrade in May 2010, as the first such project in the region. It was officially opened in the Exhibition Hall of the National Bank of Serbia in Belgrade on May 07, 2010, when Mr. Nebojša Bradić, the Minister of Culture in the Government of the Republic of Serbia, granted awards to the best students at the contest. The ceremony was also attended by Mr Finn Petren, President of the EIDD-Design for All Europe, and Mr Pete Kercher, the EIDD Ambassador, who were also members of the Selection Commission.

This unique exhibition has been presented at events such as the Mixer Design Expo and Bosi festival in Belgrade, at Ada Ciganlija, as well as in Niš, Pirot, Novi Pazar and Jagodina. It is estimated that more than 100,000 people in Serbia have seen the exhibition and 10 NGOs, several local self-government and 4 Mayors of the largest cities in Serbia, as well as more than 40 local and national media that reported on the Moving Inclusive Museum, through over 160 reports, have joined the project.

However, the presentation of the exhibition was only the beginning of the project: so far, some local companies have expressed interest in producing some of these innovative items, while other producers are also expected to confirm that they understand problems of persons with special needs and turn some of the rewarded designs into reality. Public company JP Ada Ciganlija has invested additional funds in the launch of the production of the special-award winning item "Cup for the Blind" and "Note Magnets", while some of the items are already being sold by company Ortopedija Novi život.

To sum up, The Moving Inclusive Museum project is unique upon many criteria, not only in Serbia but at the global level as well. It has been the first project that has included the Government, citizens, real sector, NGOs, Universities and the media. Also, through the Museum, we have managed to focus public attention to the issue of the most sensitive group, and to suggest how they could be solved. In numbers:

- During the project, 300 students expressed interest in lectures on the Design for All
- More than 70 design solutions were submitted for the contest, and in addition to 3 best ones, another 25 successful

works were selected for the Moving Inclusive Museum

- Two rewarded design solutions were produced (magnets for coat-hangers and cups adjusted to persons with disabilities), and we are currently negotiating with several more production companies.
- The Moving Inclusive Museum project won the most prestigious Serbian CSR award, Virtus, granted by the Balkan Community Initiatives Fund in the "Most Innovative Project" category. The project was also rewarded as the best PR campaign in the CSR area by the Serbian PR Society.
- Owing to this project, discussions on the introduction of inclusive design at specialized faculties in Serbia were launched.

Or, according to Pete Kercher, Ambassador of the European Institute for Design and Disability: "Serbia can be proud because it is the first country which launched the Moving Inclusive Museum!"



Eurobank EFG is a member of Eurobank EFG Group, banking organization operating in 10 European countries, with total assets of 87.2bn euros (2010). The Group employs 23,000 people and offers its products and services both through its network of over 1,600 branches and points of sale, and through alternative distribution channels in Greece, Bulgaria, Serbia, Romania, Turkey, Poland, Ukraine, United Kingdom, Luxembourg, and Cyprus.

After the arrival to the Serbian market in 2003, EurobankEFG has defined corporate social responsibility as integral part of its identity. Through the comprehensive CSR programme "We invest in European values", more than EUR3.7 million has been invested in the development of the community via five areas: high education, environmental protection, public health, full inclusion of people with disabilities and preservation of cultural values.

www.eurobankefg.rs

GDF SUEZ Rassembleurs d'Énergies - Access to Sustainable Energy for All

by **Francoise Guichard**,
Senior Vice-President,
Sustainable Development,
GDF SUEZ



Background

A call to eradicate extreme poverty and hunger by the year 2015 is amongst the seven Millennium Development Goals (MDG) adopted by the United Nations in 2000.

Energy and basic services are key factors in the eradication of poverty. Yet more than eleven years later this challenge, though well known and appreciated by all, remains intractable.

As of 2011, 1.3 billion people have no access to electricity – some 20% of the world's population; 2.7 billion people – i.e. 40% of the world's population – rely on traditional biomass fuels for cooking; 880 million people are without access to drinking water and nearly 2 billion people are without sanitation services. As suggested in the International Energy Agency's "New Policies Scenario," this situation is likely to endure; in 2030, 1.2 billion people will still not have access to electricity.

Therefore, considerable progress in energy access is necessary, especially if MDG are to be met. Between now and 2015, 395 million more people will need access to electricity and one billion will need clean, non-polluting cooking facilities. According to the IEA, this goal of achieving universal access to modern energy services by 2030 would require an investment of \$36 billion. While generally focused on developing countries, the question of access to energy affects developed countries as well where it is above all a social concern, a question of the poverty level. Thus, in Europe for example, according to European Union figures, 50 to 125 million people are confronted with energy poverty. As such a large range suggests, this phenomenon is poorly defined and badly understood.

Thus in terms of energy access, the challenges are enormous. Yet with the recognition of depleting resources (water, energy) and the imperatives of climate change, the new element of these past few years is

contained in the introduction of "market logic" to development programmes. As Michael Porter points out in his article "Creating Shared Value," a new approach is to place the societal dimension at the core of the businesses of tomorrow. In this context, businesses in general and in particular large companies that provide basic services can play a new role, on condition that they adopt appropriate business models. In order to meet these serious concerns, the GDF SUEZ Group develops its businesses around a model based on responsible growth to take up the great energy and environmental challenges of tomorrow.

“GDF SUEZ is convinced that business has a role to play alongside public institutions and governments in meeting development challenges”

Programme "GDF SUEZ Rassembleurs d'Énergies"

With its presence in 70 countries, a network of over 218,000 employees and 2011 revenues of euro 90.7 billion, the Group intends to respond to energy needs, ensure security of supply, combat climate change, and optimize the use of resources. GDF SUEZ thus proposes highly efficient, innovative solutions for people, cities, and businesses, relying on diversified gas-supply sources, flexible and low-emission power generation, as well as unique expertise in four key sectors

– liquefied natural gas, independent power production, energy efficiency services, and environmental services.

As 20% of the world's population lacks access to electricity and more than one in four people are facing fuel poverty in Europe, access to energy, a key factor for economic and social development, is at the heart of the fight against poverty.

GDF SUEZ is convinced that business has a role to play alongside public institutions and governments in meeting development challenges. While various major companies have already implemented such programmes, they remain limited and generally deal only with consumer goods.

KEY GROUP FIGURES AT DECEMBER 31, 2011

- 218,900 employees in close to 70 countries
 - inc. 61,250 in electricity and gas,
 - 77,200 in energy services,
 - and 80,450 in environmental services.
- euro 90.7 billion in 2011 revenues.
- euro 11 billion in gross investments in 2012.

Electricity

- No.1 independent power producer (IPP) in the world.
- No.1 producer of non-nuclear electricity in the world.
- No.1 independent power producer (IPP) in the Persian Gulf region and in Brazil.
- 117.3 GW of installed power-production capacity.
- 14.8 GW of capacity under construction.
- 50% increase in renewable energy capacity between 2009 and 2015.
- An objective of 150 GW of capacity in 2016 of which 90 GW outside Europe.

Natural gas

- A supply portfolio of 1,260 TWh.
- No.2 buyer of natural gas in Europe.
- No.1 natural-gas transport and distribution networks in Europe.
- No.1 vendor of storage capacity in Europe.
- 344 exploration and/or production licenses in 16 countries.
- 789 mboe of proven and probable reserves.

LNG

- No.1 importer of LNG in Europe.
- No.3 importer of LNG in the world.
- No.2 operator of LNG terminals in Europe.
- A fleet of 18 LNG tankers inc. two regasification vessels.

Energy services

- No.1 supplier of energy and environmental efficiency services in Europe.
- 1,300 sites throughout Europe.
- 180 district cooling and heating networks operated throughout the world.
- 48 public-private partnerships across Europe.

Environmental services

- No.2 supplier of environmental services in the world.
- 91 million people supplied with drinking water.
- 57 million people provided with waste services.
- 63 million people provided with sanitation services.

Values

GDF SUEZ employees have contributed to the establishment of the Group's four core values:

- *drive* – to guarantee performance over the long term for all stakeholders,
- *commitment* – to associate the Group's development with respect for the planet,
- *daring* – to live in the present with optimism while preparing for the future with creativity,
- *cohesion* – to make energy and the environment sustainable sources of progress and development.

As a member of the Global Compact, the GDF SUEZ Group seeks to support the major objectives of the United Nations, including the Millennium Development Goals for combating poverty and supporting socio-economical development.

Launched in early 2011, the programme "GDF SUEZ Rassembleurs d'Énergies" embodies the commitment of the GDF SUEZ Group for

access to energy for poor people by supporting projects with high social impact and projects to promote access to renewable energy sources and reduce fuel poverty.

The "GDF SUEZ-Rassembleurs d'Énergies" programme is a project of global dimension consolidating concrete GDF SUEZ Group measures in favour of access for the poorest populations to energy and essential services and the reduction of energy poverty in countries where the Group is, or plans to be present.

Approach

With "GDF SUEZ Rassembleurs d'Énergies", the Group is implementing three levers and complementary strengths to expand access to sustainable energy for all, in Europe and worldwide:

- GDF SUEZ has created a joint investment fund, one of the first in the energy sector to-date. The Group seeks to contribute to the development of social entrepreneurship and support sustainable, profitable and replicable projects;
- The new GDF SUEZ Foundation, through its "Energy Solidarity programme" supports initiatives of NGOs and associations;
- The expertise and knowledge of employees is also mobilized through skills sponsorships.

With "GDF SUEZ-Rassembleurs d'Énergies," GDF SUEZ coordinates these various tools in support of non-profit organizations and social entrepreneurs.

"GDF SUEZ-Rassembleurs d'Énergies" is a partnership-based programme. GDF SUEZ would like to associate with this undertaking the development community, NGOs, public authorities, and the general public. This programme reinforces the Group's social commitment, reaffirmed after GDF SUEZ became the largest utility worldwide since its merger with International Power.

GDF SUEZ

GDF SUEZ develops its businesses (electricity, natural gas, services) around a model based on responsible growth to take up today's major energy

and environmental challenges: meeting energy needs, ensuring the security of supply, fighting against climate change and maximizing the use of resources.

The Group provides highly efficient and innovative solutions to people, cities and businesses by relying on diversified gas-supply sources, flexible and low-emission power generation as well as unique expertise in four key sectors: liquefied natural gas, energy efficiency services, independent power production and environmental services.

GDF SUEZ employs 218,900 people worldwide and achieved revenues of \$90.7 billion in 2011. The Group is listed on the Paris, Brussels and Luxembourg stock exchanges and is represented in the main international indices: CAC 40, BEL 20, DJ Stoxx 50, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe, ASPI Eurozone and ECPI Ethical Index EMU.

www.gdfsuez.it – rassembleursdenergies@gdfsuez.com

Sustainable and Transparent Drinking Water Solutions for the Developing World

by **Louise Koch**,
Programme Manager,
Grundfos LIFELINK

Sustainable business solution to the water challenge

More than 1 billion people around the world have no access to clean drinking water. With water being a scarce resource, families and communities are caught up in a spiral of poverty. In spite of many years of humanitarian aid and development, it remains a major challenge to ensure access to water for all people. This is not least because the sustainability rate on water projects is alarmingly low, primarily due to a lack of resources, capabilities and spare parts for service and maintenance.

Grundfos LIFELINK offers a solution for sustainable water projects that not only includes high-quality pump technology, but also a sustainable model for ongoing management and maintenance. In 2008, operations were kicked off in Kenya. Now, 50,000 people in rural and peri-urban areas of Kenya are enjoying reliable access to safe water. This number will grow rapidly in the coming years, as Grundfos LIFELINK is expanded to a range of countries across Africa, Asia and Latin America.

Grundfos LIFELINK – an innovative turnkey solution

Grundfos LIFELINK provides sustainable water solutions to developing countries by combining proven pump technology, renewable energy and an innovative service platform with unique solutions for revenue management and remote monitoring.

The core of the innovative water supply management system is the LIFELINK water unit. It includes a secure and transparent payment system, a facility for automatic distribution of water and online monitoring through the Grundfos Remote Management system. The revenue management system gives water service providers and utilities a unique tool to collect revenue and to control and monitor the daily water consumption and revenue.

LIFELINK is a point source solution based on clean groundwater, which is pumped to one or more distribution points in the community. From 2012, Grundfos LIFELINK will be launching a water purification unit, which will provide safe drinking water from any water source.

The LIFELINK technology can be applied as a turnkey solution and as an OEM component to fit existing water supply schemes. With the LIFELINK turnkey water supply solution, Grundfos LIFELINK will be responsible for the full project implementation from site identification and installation, training of communities in use of the water system, community development training and ongoing project monitoring and after sales service. Sustainability is a cornerstone in all aspects of the Grundfos LIFELINK solution:

1. Technical: Through the remote monitoring system and integral after sales service
2. Financial: Through the automatic and transparent revenue management system
3. Environmental: Through the use of renewable energy and improved water resource management
4. Socially: Reliable access to safe water means improved health and living conditions

Business based on partnerships

As regards water projects in rural and peri-urban communities in Africa, LIFELINK enters into partnerships with external donors from the public sector, development organisations, private foundations and CSR programmes that fund the upfront investment in infrastructure and implementation. The ongoing water consumption in the community finances service and maintenance, thus ensuring a reliable and sustainable water supply for many years.

“Grundfos uses core competences to make a difference”

Grundfos LIFELINK implements sustainable water projects in partnership with organisations like UNICEF, the World Food Programme, the Red Cross, the Government of Kenya, the Danish International Development Agency (Danida), private foundations and company CSR programmes. The partnership models vary, but the common goal is to achieve 10 to 15 years of sustainability on the water projects by using the Grundfos LIFELINK system. Implementation of sustainable water projects is also about mobilising and training the community to manage their water system well and to understand the value of safe water. The Grundfos LIFELINK team carries out all the necessary community work related to mobilisation and implementation of the LIFELINK system. Also, the community consultant offers community training programmes in health and development.

Poverty alleviation and sustainable development

Grundfos LIFELINK is a business with a social mission. Therefore, high priority is given to measure the social impact of the LIFELINK system in the communities. The actual water consumption of each LIFELINK installation can be followed via the remote monitoring system on the Grundfos LIFELINK website.

One of the major impacts in the communities of having access to safe water is a considerably improved health situation of both children and adults. According to local health facilities, water-borne diseases among children is reduced by at least 50 per cent.

A very interesting and surprising insight from the impact assessment has been that, since the new and innovative LIFELINK system was installed, more men opt to fetch water for their family, thereby freeing the women of one of the most time-consuming burdens of the family. The reason is simple: men like high tech!

Micro-business and income generating activities grow from the LIFELINK communities too. In most of the communities, entrepreneurs have started small businesses dealing in water distribution to households in the area, thereby expanding the reach of the safe water and generating a profit for themselves. Other activities that are popular among youth groups and women groups include home gardening and growing tree seedlings.

In terms of environmental sustainability, Grundfos LIFELINK contributes both to mitigation of and adaptation to climate changes. The LIFELINK system is powered by renewable energy from the sun or the wind. Furthermore, with the changes in climate patterns and the increasing threat of drought in many areas, groundwater is a more reliable option for the future supply of water in arid and semi-arid areas.

Lessons learned about business and sustainable development

In many ways, Grundfos LIFELINK is a groundbreaking initiative. Not only because a private company enters the scene of international development, but also because the concept with integral management and maintenance is a new approach in water projects.

The three key learning points for Grundfos LIFELINK are:

1. Providing business-based solutions for sustainable water supply in developing countries not only demands innovative technology but also willingness among the established players in the field to change existing mindsets and practices.
2. There is a great need for efficient and effective action from stakeholders across sectors to solve the challenge of access to water and to create sustainable development – and business has a key role to play as a provider of innovative solutions and sustainable models.
3. Contrary to most experience in the development sector, Grundfos LIFELINK has proved that it is indeed possible to provide a sustainable, self-financing and transparent model for management and maintenance of water projects in both rural and urban areas.

Grundfos LIFELINK is committed to developing and offering innovative solutions that will improve human well being and contribute to alleviating poverty while at the same time looking after the resources of the planet. We welcome all stakeholders who wish to join us with their core competencies in creating new solutions for sustainable development and a good life for all people in a growing world.

GRUNDFOS
GRUNDFOS LIFELINK

With an annual production of more than 16 million pump units, the Danish company Grundfos is one of the world's leading pump manufacturers, employing approximately 18,000 people in 82 companies in 45 countries worldwide. Grundfos has more than 60 years of experience in developing, selling and servicing pump solutions for water supply, industry and building services.

With the new business company Grundfos LIFELINK, established in 2007, Grundfos is using its core competences to provide solutions to the water challenge on a commercial basis. The purpose of Grundfos LIFELINK is to improve living conditions for people in developing countries, primarily covering rural and peri-urban areas in Africa, Asia and Latin America. Our goal is to provide access to safe drinking water for 1.5 million people by 2015.

www.grundfoslifelink.com

GSE and Corporate Social Responsibility

by **Barbara Letizia**,
CSR Manager,
Gestore dei Servizi Energetici - GSE S.p.A.

Over the years, GSE has taken on an increasingly significant role in society, taking a wide array of initiatives to foster the deployment of renewables and energy efficiency.

To build awareness of renewables, GSE has implemented projects to the benefit of communities, social welfare organisations, the working world, market players, small and medium enterprises, local governments, public entities and, since 2011, also educational institutions. The projects span the three fundamental and interrelated terms of the sustainable development equation: environmental, economic and social.

Corporate Social Responsibility is thus implicitly ingrained in GSE's mission and it is with this concept in mind that GSE launched its "GSE. Energie per il sociale" (GSE, energy for communities) project. The project is geared to give support to a number of community work organisations in attaining self-sufficiency in energy production.

Sharing generates energy

The key goals of the project are promoting and facilitating the donation of high-quality renewable-energy facilities, as well as triggering partnerships between social welfare organisations and the renewable-energy industry. Its strength lies in creating benefits in terms of environmental sustainability, economic advantage and community development.

All the companies joining the project - and participating in GSE's Corrente portal - have leadership in various renewable-energy sectors, from manufacturing of components for renewable-energy systems to electric mobility. The companies are distributed all over Italy, just as the communities that they support.

In this case, GSE acts as an aggregator, bringing together institutions,

top companies of the national energy sector, renewable-energy operators taking part in the Corrente project and communities.

This shared effort gives shape to a new model of participative CSR, creating value and spurring energy companies to make ethical and socially responsible investments, which may help relaunch the national economy.

Six renewable-energy projects have so far been initiated: rooftops for communities, sports facilities, car park canopies, and systems

for recreational areas. The projects are being implemented with the involvement of: young people from the Istituto Penale per Minorenni di Nisida and the Comunità di San Patrignano; children from the Istituto Giannina Gaslini; guests of the Associazione Gruppo di Betania, and of Libera - Gruppo Abele - Fabbrica delle "e"; and the Whitaker Foundation - island of Mozia.

GSE promotes the installation of renewable-energy facilities for and together with the above organisations, with a view to: sharing its experience and expertise with companies,

technical specialists, teachers, trainers and young people; inducing a learning-by-doing approach; and offering them a better quality of life and new job opportunities.

Crucial to the success of GSE's initiative was the support of top-level institutions which have, since their inception, welcomed GSE's efforts to disseminate a new concept of corporate social responsibility, promote and develop research, leverage Italian industrial and design innovations, relaunch made-in-Italy products and services and raise environmental awareness.

The project "GSE. Energie per il sociale" was officially presented at the Presidency of the Republic, before the President of the Republic Giorgio Napolitano, and at the Presidency of the Chamber of



Istituto Penale per Minorenni di Nisida

Energy for a new beginning

In addition to supporting the activities of this juvenile detention centre and of its young guests, GSE's project is aimed at putting in place a major facility for demonstration and testing of technological innovation in the renewable-energy sector.

Goals:

Developing new skills and opportunities; curbing the centre's fossil fuel energy consumption; supporting the activities of the local Centro Studi Europeo (European study centre); enhancing the value of the landscape by creating educational and technological itineraries focused on renewables.



Comunità di San Patrignano

Energy for renewing oneself

The project identifies five areas of action, yielding significant functional benefits to this rehabilitation community and giving strong communicative impetus to deployment of photovoltaic energy, sustainable mobility and energy saving in lighting systems.

Goals:

Managing available spaces more efficiently; involving young people in the installation of the facilities; developing new skills and job opportunities; creating new solar-design lines of objects and urban furniture.



Associazione Gruppo di Betania Onlus

Energy for finding oneself again

One 20-kWp solar photovoltaic facility and one 12-m² solar thermal system have already been installed at the premises of this non-profit association, which is engaged among others in social support to adolescents. The overall yearly output of the PV system is expected to be equal to about 20,000 kWh, while the solar thermal system can cover hot water requirements in summer and give a substantial contribution in the other seasons of the year.



Libera - Gruppo Abele La Fabbrica delle "e"

Energy for sharing

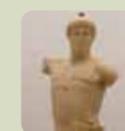
GSE's project supports the activities of this association, which was established in 1995 with the mission of coordinating the civil society's commitment to fighting all types of mafia. The project is expected to tap the communication potential of solar energy in order to emphasise the sustainability and transparency of the activities of Libera and Gruppo Abele.



Istituto Giannina Gaslini

Energy for growing

GSE intends to leverage the communication potential of solar energy in order to stress the ongoing sustainability shift and level of excellence of this paediatric care hospital. Among the goals of the initiative: energy supply to the hospital facilities, education & awareness of children and families, technological innovation thanks to integration of an eco-friendly technology.



Whitaker Foundation Island of Mozia

Energy for heritage conservation

The goals of GSE's project for the Island of Mozia are as follows: supporting museum activities; protecting archaeological dig sites; installing small facilities for visitors' reception and information; increasing energy self-sufficiency; cutting down CO₂ emissions; and relaunching the image of Mozia at international level as an example of excellence, thanks to its harmonious combination of archaeology, industrial innovation and environmental sustainability.

Deputies, before the President of the Chamber Gianfranco Fini.

People, just as energies, may renew themselves

GSE and its partners have planned a range of initiatives to return energies and resources to communities. Prominent among them are education, training & awareness courses intended for their young guests. Their aims are: raising awareness of environmentally-benign energy uses; supporting cultural growth and diversification as part of the green economy; and encouraging the acquisition of new skills in the renewable-energy sector. The courses, based on a participative approach, may consist of practical and/or theoretical work, with the objective of providing the young guests of the communities involved with opportunities of social integration.

The length of and topics covered by the courses take into account the differences existing in the types of participants, in their social problems and in their levels of schooling; in the case of children, reliance is made on play-based and experiential learning techniques.

Special training programmes, tailored to the different types of participants, have the common objective of familiarising them with renewable energy sources, enabling them to acquire, systematise, maintain and enhance knowledge and skills in the energy sector and, where possible, to share and transfer their specialist know-how. The programmes are intended, in particular, to give further insight into the renewable-energy sector, where the companies involved in the project together with GSE express their value.



Gestore dei Servizi Energetici - GSE S.p.A. is the publicly-owned holding company which supports the deployment of renewable energy sources - RES - in Italy, by granting incentives for electricity generation and promoting sustainable development through energy efficiency awareness campaigns. The sole shareholder of GSE is the Ministry of the Economy and Finance, which exercises its shareholder rights in consultation with the Ministry of Economic Development. GSE is the holding company of Acquirente Unico - AU, Gestore dei Mercati Energetici - GME and Ricerca del Sistema Energetico - RSE. Moreover, GSE has gained national and global recognition as a leading player in the implementation of Italian energy policies, thanks to its growing commitment to promoting RES in the national context and by participating in international organisations, seminars and workshops.

www.gse.it

Project Malawi Celebrates Its 7th Birthday

by **Valter Serrentino**,
CSR Manager,
Intesa Sanpaolo



"Sharing the future". This is the motto associated with Project Malawi's logo. Sharing is the basis of our Corporate Social Responsibility. Sharing the future of Africa has been indeed the starting point for the development of a partnership between private entities, NGOs and the Government of Malawi to fight against AIDS and poverty in an innovative way.

What is Project Malawi and which is the main idea behind the decision of becoming engaged in such an ambitious programme?

Project Malawi is a long-term humanitarian initiative launched in 2005 by Intesa Sanpaolo and Fondazione Cariplo – one of its main shareholders – to improve the life conditions of the population of Malawi and to ensure an overall perspective of development to one of the poorest countries in the world.

Malawi is a country under constant emergency: ranked 171st in the Human Development Index, it suffers from recurrent natural disasters like floods and draught, causing hunger and malnutrition, and almost half of its population lives under the poverty threshold. Malawi is also at the top ranking for the diffusion of HIV/AIDS: 11% of the population between 15 and 49 year old is infected, 17% of mothers is HIV-positive and each year 85,000 births are at risk of transmission of the virus. Causing more than 51,000 deaths every year, HIV/AIDS is the first killer in the country, generating more than half of the 1 million orphans in the country.

7 years ago, Intesa Sanpaolo decided to support the Government of Malawi in its fight against HIV/AIDS by taking involve-

ment and responsibility through a direct commitment on a specific programme. Analysing the main examples of international cooperation, health care resulted not to be sufficient to obtain substantial results: in order to succeed, parallel initiatives aimed at reinforcing social cohesion and economic development proved to be essential. Project Malawi was then conceived since its beginnings as an integrated approach addressing the battle against HIV/AIDS, but also health education

and prevention, assistance to orphaned and vulnerable children and local development and microfinance. The aim was to create a barrier to HIV/AIDS starting from the prevention of mother-to-child transmission through the D.R.E.A.M. (Drug Resource Enhancement against Aids and Malnutrition) Programme and envisaging, alongside the health intervention, specific actions to restrain the impact of the disease on the population and to support the economic revitalization of the country. A forward-looking choice was at the basis of the construc-

tion of the programme: breaking the vicious circle generating sick babies, condemned to a life of poverty, alienation and infection thus slowing down the development of the country would mean having a positive effect on the future of Malawi by granting the young generations the right to a healthy existence. Four partners were involved to take care of each specific area of intervention and they were selected for their well-recognized ability, for their long time presence in the country and the strong Malawian composition of their staff: the Community of Saint Egidio (healthcare), Save the Children (care of or-



phan and vulnerable children), Magga – Malawi Guild Guides Association and Sam – Scouts of Malawi (education and prevention) and CISP – International Committee for the Development of People (local development and micro-finance).

The district of Blantyre – an established commercial area in south of the country – was chosen as the pilot area of intervention for the first three-year period of activities. After having successfully completed the first phase, the programme was then extended for another three-year period to two new areas: the district of Lilongwe (capital city of Malawi) and the district of Balaka where the experience of the pilot area was replicated. Today this synergic work continues; Project Malawi keeps collaborating with the Government of Malawi for the local coordination of the project and constantly involves the local communities in carrying out its activities. The progress being made, the quality of the intervention and the results obtained are constantly monitored and the use of funds is periodically audited. Both these activities are conducted by specialized independent bodies.

Since 2005, important results have been achieved. In the healthcare sector, four laboratories – three of them with a molecular biology department – have been built as well as nine highly specialized D.R.E.A.M. clinical centres. Eleven maternity wards have been connected with the above centres; three of them have been renovated and equipped. Over 17,500 patients started antiretroviral therapy, more than 5,000 HIV-positive pregnant women have been referred to the vertical prevention programme and about 4,300 children were born healthy through the use of tri-therapy. Since the project started, more than 400,000 medical visits and 200,000 laboratory tests have been carried out. 770 local social health operators have been trained with specific knowledge on the use of the D.R.E.A.M. protocol and information and communication webs have been constructed and connected with international health centres. Each month 40 tons are distributed to patients and their families. On the basis of the good results recorded in Project Malawi's D.R.E.A.M. centres, the Government of Malawi has decided to give the triple HAART therapy to all pregnant women from July 2011, thus including the protocol developed by the Community of Saint Egidio in the national guidelines.

As far as the care of orphan and vulnerable children is concerned, 104 community-based care centres (CBCCs) have been built or renovated. They are run by local community members (selected, trained and brought together in management committees) and are home to about 4,000 orphans and vulnerable children aged between 3-6 every year. Children Clubs have been established for support, prevention and recreational activities to children aged between 7 and 13 years. More than 3,100 children have been involved in Retreats where volunteer educators trained in psychosocial support and early childhood development help them raise problems like abuses and

violence from adults and failed school enrolment. Adults and chronically ill children and their families have received home care by more than 500 trained volunteers of the communities involved.

In the field of local development, 3 Business Information and Services Centres have been opened in each project area where SMEs can find consultancy services and can apply for training and refresher courses. 370 entrepreneurs have been assisted in the preparation and presentation of business plans to local micro-finance institutions with which memorandums of understanding have been underwritten. 96 income-generating activities have been set up in rural areas, involving about 2,500 families and 93 groups of informal savings and credit have been established, with almost 2,000 direct beneficiaries.

175 Girl Guides and Scout units are active in the schools of the communities involved and over 28,000 young people take part in activities raising awareness on the risks of HIV/AIDS transmission and in sex education. Over 2,400 young people benefited from free HIV testing and counselling service at the Scout operational centre in Blantyre, built with the project funds.

INTESA  **SANPAOLO**

Intesa Sanpaolo is among the top banking groups in the Eurozone, with a market capitalisation of 19.4 billion euro (30 September 2011) and is the leader in Italy in all business areas. Through its national network of over 5,500 branches which are well distributed throughout the country, with market shares above 15% in most Italian regions, the Group offers its services to about 11 million customers. The Group has a selected presence in Central Eastern Europe and Middle Eastern and North African areas with more than 1,700 branches and 8.3 million customers belonging to the Group's subsidiaries operating in retail and commercial banking in 13 countries. Moreover, an international network of specialists in support of corporate customers spreads across 29 countries, in particular in the Middle East and North Africa and in those areas where Italian companies are most active, such as the United States, Russia, China and India.

www.intesasanpaolo.com

Inclusion of Women Disadvantaged Groups

by **Rafael Arjona Jiménez**,
General Manager,
Limasa



Overview

In reference to the condition of its activities in the surrounding environment, Limasa, the services mixed-ownership corporation of Malaga, has established a framework of ethical, responsible and business cooperation both internally and in its suppliers and partners chain. The main goal of this initiative has been the integration of disadvantaged groups that have found substantial social integration difficulties in the past, especially women disadvantaged groups.

In order to reach its objective, Limasa has chosen to involve its employees and their representatives as engines of change in a personal manner, both introducing effective criteria of social responsibility in the HR policy and structure and assisting people in relation to the possible solutions of social discrimination problems. In an operative way, the corporation has decided to introduce flexible work requirements adapted to the special family circumstances of certain groups exposed to the risk of social exclusion.

The corporation, indeed, has established lines of collaboration with different City agencies, focused on the Equal Opportunity Area for Women social management and cooperates in the fight against social exclusion of vulnerable groups, providing decent jobs and economic livelihood, necessary factors of social integration and a solid foundation for the future.

Limasa is committed in breaking the discrimination chain that otherwise would, in many cases, destabilize wage, creates job insecurity, deteriorates working conditions, generates the progressive increase of social groups exclusion from employment classic circuits and provides the lack of professional qualifications.

An important objective of this process has been breaking down mental barriers, fears and capacity building prior to the start of the tasks.

Display

Associated to the implementation and the development of the process, different planning actions have been prepared. The main follow:

- Integration project which sets a prerequisite for the normalization of the collective labor market entry;
- Determination of the need to integrate family requirements on labor supply (make easy transportation, scheduling);
- Development of jobs and facilities for business development plans already established;
- Determination of different jobs to be covered;
- Definition of profiles and requirements of each position;
- Dissemination of the job characteristics among the affected groups;
- Study applications in relation to job profiles;
- Proposal of candidates;
- Interviews and personal selections;
- Recruitment;
- Education and training (taking into account the entry level positions needs);
- Integration management in the company.

Every task has been systematized, developing working processes and incorporating preventive, environmental and efficiency criteria into the entire production system and the integrated management:

“*The human and professional potential of the company has been channeled for the human and social development of the communities*”

Management systems Matrix

Management System	Scope	Implementation Date
UNE EN ISO 9001:2008	All business	2005-2009
UNE EN ISO 14001:2004	Strategic processes, and support enterprise-wide operational and Environmental Center and customer service. In the process of implementation and certification in the rest of the company.	2006
EMAS 761/2001	Strategic processes, and support enterprise-wide operational and CAM. In the process of implementation and certification in the rest of the company.	2007
OHSAS 18001:2007	Strategic processes and support across the enterprise and CAM and customer service. In the process of implementation and certification in the rest of the company.	2008
SA 8000:2008	A company-wide	2008-2009
UNITED NATIONS GLOBAL COMPACT	A company-wide	2007
ISO 26000	A company-wide	2011
EFQM 2010, +500	A company-wide	2008 AND 2010
I + D + I UNE 166002:2006	A company-wide	2010
ISO 27001:2005 ISMS	A company-wide	2011
ISO 26000:2010	A company-wide	2011

Results

The Limasa project for disadvantaged groups has been fruitful and led to the following successes:

- Creation of 25 jobs at the plant for treatment and selection of packaging material selection separately collected in the municipality of Malaga;
- Establishment of free transportation means to the treatment center by the equal opportunities for women area;
- Election of the Limasa practice as a model for a sustainable development by local groups and associations;
- Participation in a job placement program that promotes inclusion in ordinary business for people struggling to enter the working world as a mechanism for combating social exclusion.
- Participation in group activities, fostering the social, economic and environmental impacts of our production and providing undeniable enhancement for the image and responsibility of the company.

The systematic management of the needs and expectations of the whole society as a fundamental company stakeholder enables Limasa to mobilize the talent, time and energy of its staff in the development of appropriate socially responsible lines. The human and professional potential of the company has been channeled and encouraged for the human and social development of the communities in which Limasa operates.

This has been important not only for the external stakeholders of the Group, but also for the internal ones.

The main benefits have been in:

- Promoting a culture of collaboration;
- Sensitizing the staff on the social needs of other groups;
- Allowing the staff to discover new values;
- Implement solidarity actions, which allow a more comprehensive development of individuals;
- Providing an alternative channel for citizens' participation in their personal concerns related to the community;
- Building bridges with various social organizations;
- Providing each employee to be an ambassador for the company in the local community;
- Studying social projects generating sets and, consequently, positive impacts on the living conditions of territories.

Monitoring and Measuring

The actions deployment degree associated with this initiative has been integrated into the Balanced Scorecard which manages the strategic lines derived from the business policy. In particular considering:

- The needs and expectations of the external and internal company stakeholders;
- The company liability to introduce management requirements that consider the Limasa activities impacts in the surrounding environment. Furthermore, establishing a framework of ethical behaviour and business cooperation both internally and in its suppliers and partners chain.
- The importance of sustainability guidelines in the economic development of the company with the belief that Limasa could develop efficiently only taking into account both the economic outcomes and the social and environmental impacts.



Limasa is a mixed-ownership corporation (49% of the City council of Málaga) whose mission is "to provide cleaning services, collection and treatment, recovery and disposal of urban waste in the city of Malaga in an excellent manner, with safety, efficacy, efficiency and innovation, remaining at the forefront in the use of equipment and processes and taking into account the needs and expectations of the citizens and other stakeholders". The management of these services is essential for Malaga, where its nearly 600,000 residents live with a large floating population and it's essential for the proper development of the economic and social engine of the city.

www.limasa3.es

Human Protection Against Electromagnetic Radiation

by **Fryderyk Lewicki**,
Manager on Antennas Propagation and EMC,
Orange Labs



A significant contribution of Orange Poland into creating environmentally-and people-friendly technologies is its research on limitation of influence of electromagnetic radiation on people. The results of many months of work of the Polish Orange Labs team have a chance to directly contribute to the evaluation and limitation of environmental hazards related to excessive exposure of people to electromagnetic fields emitted by the base stations, both in Poland and abroad.

Electromagnetic fields: the social context

Radio frequency (RF) Electromagnetic fields (EMF) are imperceptible and unknown for the general public. This unawareness and imperceptibility generates distrust and rejection among the population, which can result in social conflicts and lead to delays in the deployment of new wireless technologies requiring radio installations in their surrounds. This is valid for the whole world including Poland. In Polish regulations the exposure limits are much more restrictive than given by the guidance of the International Commission on Non-Ionizing Radiation Protection (ICNIRP) and implemented in many countries. In results in Poland the total radiation levels (taking into account all emissions in the considered area) have to be on the much lower level than it is allowed in other countries. The independent laboratories make measurements in areas in the vicinity of transmitting/base stations in order to check if RF EMF radiation levels are compliant with limits.

“ *The main goal of this project is to show to general public that EMF in the vicinity of radiocommunication installations are under control and under the limits* ”

The main objective of the project

The main goal of this project is to show to general public that EMF in the vicinity of radiocommunication installations are under control and under the limits. The goal is also to give clear guidance on how to assess human exposure and compliance of the radiocommunication installations with limits and to give proper tools to perform proper assessment.

The project is developed in Orange Labs Poland (OLP), which has leading position in this activity in International Telecommunication Union (ITU). OLP developed tools and methods allowing for the assessment of the human exposure to the electromagnetic fields in the vicinity of radiocommunication installation (for example mobile base stations). The OLP experience is shared with international community in the ITU by the development of the ITU-T Recommendations.

Orange Labs Poland for safe technologies

The project includes development of the methods and tools (mainly specialistic software) for the evaluation of the exposure level in the areas in the vicinity of the radiocommunication installation and with an access for the general public. These methods and tools are then used

for solving the problems with too high exposure levels in certain locations. Because of the fast development of the new radiocommunication systems (like cellular systems and wireless access to Internet) many new base stations or access points are required. Also on existing transmitting stations new services are launched (for example digital television). In all cases the assessment if this

new services in addition to the existing services are compliant with exposure limits given in regulations is required.

The OLP experience in this area is offered in contributions to the International Telecommunication Union (ITU). OLP plays leading role in development of the ITU-T Recommendations concerning assessment of the human exposure to RF EMF. Under OLP chairmanship the Recommendations K.70, K.83, K.90 and K.91 has been approved. OLP delivered to ITU two software packages: EMF-estimator (Appendix to ITU-T Recommendation K.70) and EMFACDC (Appendix to ITU-T Recommendation K.90).

The EMF-estimator allow to evaluate the electric field strength around transmitting and base stations with many different radiocommunication services operating simultaneously. Big library contain data concerning many transmitting antennas that may be used by the user but also new types of antennas may be loaded as well. This software is used by many entities for the assessment of the human exposure to EMF.

The new Recommendation K.91 "Guidance for assessment, evaluation and monitoring of the human exposure to radio frequency electromagnetic fields (RF EMF)" acknowledges that a variety of methods exist to assess human exposure to RF EMF, that each carry different advantages and disadvantages, and that the choice of a method depends on the needs and circumstances of its user. K.91 therefore provides guidance on methods to assess and monitor human exposure to RF EMF in areas with surrounding radiocommunication installations; based on existing exposure and compliance standards in the frequency range of 9 kHz to 300 GHz. This includes procedures to evaluate exposure levels and to demonstrate compliance with exposure limits. While existing standards are product or service-oriented, K.91 is intended for the examination of areas accessible to people in the real environment of currently operated services with many different sources of RF EMF. It does however also make reference to standards and recommendations related to EMF compliance of products.

The results

The results of the OLP activity in this field are visible by its contribution to the ITU-T Recommendations: K.70 "Mitigation techniques to limit human exposure to EMFs within vicinity of radiocommunication stations", K.83 "Monitoring of the electromagnetic field levels", K.90 "Evaluation techniques and working procedures for compliance with limits to power-frequency (DC, 50 Hz, and 60 Hz) electromagnetic field exposure of network operator personnel" and K.91 "Guidance for assessment, evaluation and monitoring of the human exposure to radio frequency electromagnetic fields". The Appendix to the Recommendation K.70 includes software "EMF-estimator" developed in OLP and allowing for the calculation of exposure levels in the vicinity of radiocommunication installation. The Appendix to the Recommendation K.90 includes the software "EMFACDC" allowing for

the calculation of the exposure level in the vicinity of power supply lines. The Recommendation K.91 provides a guidance on methods to assess and monitor human exposure to Radio Frequency EMF in areas with surrounding radiocommunication installations. This includes procedures to evaluate exposure levels and to demonstrate compliance with limits.

This experience and tools are used in practice in the proposals of modification of the configuration of the transmitting antennas in operation in Poland in order to reduce the exposure level in cases in which it is required because very restrictive limits that are in force in Poland are sometimes exceeded.

The other important part of this activity of the OLP are support to developing countries by the presentations given during ITU-T Workshops and on behalf of the ITU-T. Such Workshops took place in Kazakhstan, Kenya and Botswana.

Plans for the future

This activity is continued in OLP as well as in the ITU as a leader in this subject. In plans there is a preparation of the ITU-T Handbook "Human exposure to EMF" in which the problems and questions under public concern connected with human exposure to EMF will be addressed.



Orange Poland is Poland's leading telecommunication provider, operating in all segments of the market. As of 4Q 2011 we had 14.6 million mobile customers, 5.6 million fixed voice

customers, 2.3 million broadband users and over 0.6 million TV subscribers.

For several years the company is implementing CSR as long-term management strategy and way of improving competitive advantage on the market.

Orange Poland is also involved in education and charity activities through Orange Foundation. Under the Orange brand, it is also constantly present in cultural and sport activities – e.g. as the main sponsor of Polish national football team and UEFA EURO 2012™partner.

www.orange.pl

Supporting Progress and Knowledge Acquisition

by **Aida Salkic**,
PR manager,
Prevent BH

Over the past fourteen years, Prevent have employed one new person every day. Today, the Company is the leading private employer in Bosnia and Herzegovina and continuously invests in local community. Its corporate policy imposes high standards of social responsibility in all segments of the company, especially regarding the transparency principle, anti-corruption and respect of human rights. All these aspects help to develop the local community, which grew together with Prevent throughout the years; and to this end, the supply chain of Prevents is based on domestic suppliers, contributing to their further establishment. The Company recognizes the efforts made for knowledge acquisition and progress. By support to Foundation Hastor Prevent yearly gives out 900 scholarships to socially vulnerable students. After finishing their studies, these students have the chance to work in the Prevent group and make further progress learning from the best economists, engineers, production managers etc. There is a constant cooperation with universities, both public and private, in order to improve students' understanding of theoretical studies as well as enhance their practical trainings. As a part of this collaboration, 30 graduates from different faculties have gone throughout "Prevent school of automotive". After training and testing, 20 of these graduates were employed in the company. The aim of the training was to introduce the automotive industry to students and show them how the various segments in Prevent work. Each of the students had the chance to see the actual production flow and logistics management process. When it comes to surrounding local community there are different interest groups or target audience that Prevent takes care of,

“*We help to develop the local community, which grew together with us throughout the years*”

mainly investing in youths and their development. Also, Prevent is a traditional sponsor of local community festivals, sport clubs and cultural events, and it has been partner of local handball club for over 6 years. There is also a very close collaboration with kindergarten and tremendous support to schools at the local communities surrounding all six sites. Prevent supports young and very successful skiing talent thirteen years old Elvedina Muzaferija, which has been national champion in the past few years and has won gold medals on the regional and world cups in Slovenia, Italy and Austria. Prevent has been awarded as best practice in Corporate Philanthropy two years in a row at the competition organized by Foundation Mozaik and agency Masta with partnership of IFC and UNDP. Another very important aspect of Prevent's corporate social responsibility is the environment protection. Prevent wants to ensure clean and orderly environment in the plants as well as in local community. Wastewater treatment and biological filtration system for odors are integral part of the production facilities. This has been established in order to advance influence of Prevent production to the environment. In addition, Prevent is continuously seeking for new solutions to improve its production and water treatment. It tends to promote innovations and new technologies in order to enhance solutions for environmental issues. Nowadays, Prevent is in the process of obtaining ISO 14001. Prevent constantly invests in new projects and it is fully committed to development of national economy. Its success and way of business provides foreign investors best practice example.



prevent.
Materials. Seats. Interior.

Prevent group in Bosnia and Herzegovina is a member of global company that has over 14,000 employees and works at 35 locations worldwide. The idea of starting up the production of car seat covers in Visoko dates back to August 1998, when Prevent Sarajevo d.o.o. Visoko was established. During the past 14 years, Prevent has grown rapidly and spread its core portfolio in all directions, with automotive and non-automotive divisions. Automotive refers to the production of seat covers, leather and break disks and this is 90% of its business here. Production of protective clothing, gummy boats and interior for yachts is under non-automotive division. Today, Prevent group BH employs 5,000 workers at six sites and produces over 1,25 million seat covers sets for a total of 15% of automobiles in Europe.

www.preventgroup.com

Two Sectors - One Vision. Coaching for Social Leaders

by **Elżbieta Żórawska**,
Coordinator,
PwC Poland Foundation

When a company searches for corporate social responsibility targets it has to consider where it can make the greatest positive impact. It has to be fully aware of its resources and competencies. It also has to look for the areas where these assets may influence social development. When it comes to a company's knowledge-based business, as in PwC's case, these findings lead toward a strategic support of the non-governmental sector in Poland.

Research has shown that non-governmental organizations (NGOs) often encounter barriers in gaining access to professional knowledge and learning opportunities. The private sector can play an important role in increasing the effectiveness of the third sector by supporting its development by sharing knowledge. With this in mind, PwC Poland developed its 'Pro Bono Program' under which services are provided free of charge or for a nominal fee by employees during working hours. By combining knowledge of the local market and extensive international experience, specialists are able to provide NGOs with their expertise in assurance, accountancy and tax advisory. Each employee may devote up to three hours per month on activities for NGOs. Since the launch of the program in 2008, over 100 employees have spent over 3,500 hours on *pro bono* work, completing over 30 *pro bono* projects.

One of the innovative projects developed within PwC's *Pro Bono* Program is a coaching program for social leaders run by

PwC Poland Foundation together with the "School for Leaders" Association. This program is the result of the long-term cooperation between the company and the organization. Within the private sector, many companies have leadership programs in order to develop the employees' talents; on the other hand, within the third sector leadership programs are limited because of multiple reasons, such as less recognition

of staff development, or the lack of financial resources. This circumstance has resulted in a lower priority given to leadership development within NGOs compared to the private sector. Therefore, the impact on NGOs leaders derived from the PwC's Program affected directly NGOs' staff, organizations and communities that they serve. In PwC everyone is actively supported and encouraged to reach their potential through coaching and personalized development at each level. We have developed a coaching program for social leaders aimed at:

- supporting selected leaders of NGOs through coaching by PwC professionals;
- helping NGO leaders become more successful and effective in their activity;
- developing new ways of co-operation between business and NGOs in Poland (overcoming stereotypes);
- practicing and improving the coaching skills of PwC professionals;
- building PwC's position as a socially responsible company;
- showing the market new ways of practicing corporate responsibility.

“Our CSR efforts are linked with our actions and behaviors directed to the goal of creating a “PwC Experience” culture for our external and internal stakeholders”

The targets of the Program are NGOs' leaders who have attended the "School for Leaders" or are recruited from the market. NGOs' leaders participating in the project must have a wide experience in leading social changes, capacity on managing activists and a real vision. According to the needs assessment prepared by the "School for Leaders" Association, NGOs' leaders need support in the following areas:

- setting the strategy to achieve the organization's goals;
- managing the processes and people within the organization;
- professionalizing the NGO operation;
- improving the effectiveness of the NGO activity.

From an internal point of view, the program is directed toward senior managers, directors and partners of PwC – professional staff with coaching skills and considerable experience in the business sector. In the first edition of the Program there were seven pairs (PwC coach – coachee). During the whole Program's cycle, participants spent around 100 hours on six coaching sessions. After each two coaching sessions, coaches received a supervision session, while coachees received professional trainings on management and cooperation with business. In the second edition of the program the number of coaches from PwC has doubled.

The project is an example of collaborative learning, showing the importance of cooperation between business and third sector leaders, in recognizing their differences and appreciating the parallels across the two sectors. The Program shows that businesses can work alongside NGOs on initiatives that deliver mutual benefits. To this end, the best recognition to the Program is shown in the participants' comments.

As one of the coaches, Director of Marketing, Communication and Business Development, in PwC said, *“You can see that these people from NGOs achieve great things. Usually there are situations when other people would have said that it couldn't be done. But it is done just because those people are strongly committed to the case and they are influencing others with their passion. This is a good lesson for all managers.”* The Risk Management Director in PwC added: *“It turns out that the everyday problems of social leaders regarding cooperation, team management, planning and project management do not differ that much from those that we have to deal in our corporate work. Our advantage lies in the fact that although we do not have ready solutions for any situation, for sure we have had more chances to use different theories and methods in practice and it is nice to share such experience.”*

As well as statements from coachees – the President of the "Good will" Association said: *“Someone who has never worked in business and represents an NGO will not understand the conditions which face the entrepreneur and the entrepreneur will never understand the motivations of peo-*

ple from an NGO. Therefore, if we are going to talk together, if we will share our insights, our needs, our ideas and values, we can reach a situation where we will be able to join our forces and do things from which we all benefit.”

Leader of Father.Net initiative: *“I can say that we have found a common language very quickly, although we operate in completely different worlds, in completely different structures. We did not need much time to understand each other. And I must say that I had such a sense of insight from someone who would work with me for many years.”*

In response to the very positive feedbacks from both coaches and coachees the program will be developed implemented on a larger scale. Making leadership development an integral part of the CSR (*corporate social responsibility*) Program is an opportunity for a significant impact on the third sector and on the communities within which leaders work. This type of program represents the core of CSR and gives us a better understanding of the wider role of business in society.

Our CSR efforts are linked with our actions and behavior connected to the goal of creating a “PwC Experience” culture for our external and internal stakeholders. In this way, our CSR activities and the PwC Experience reinforce each other. By developing our people as responsible and better leaders, having a positive socio-economic impact on the communities in which we operate, as well as creating partnership relations, we demonstrate the social value and legitimacy of our business.



PwC (PricewaterhouseCoopers)

is one of the world's biggest professional services organizations. As professional advisers, we help our clients solving complex business problems and

enhancing their ability to build value, manage risks and improve performance. The PwC global network stretches across 154 countries and is made up of over 161,000 partners and staff. Our mission is to be the leading global professional services organization, solving complex business problems for top-tier clients in global, national and local markets. Our values are: Excellence and Quality, Teamwork and Leadership. PwC in Poland employs over 1,500 specialists and support staff in six cities: Gdansk, Krakow, Poznan, Wroclaw, Katowice and Warsaw.

www.pwc.com

The Position of Partnership with WWF in Rabobank's Food & Agri Strategy

by **Richard Piechocki**,
Programme Manager Partnership Rabobank - WWF,
Rabobank Nederland

Rabobank expects the international food & agri industry to generate economic growth in the years ahead by designing production processes more efficiently and sustainably. The food & agri businesses will accordingly aim for maximum reuse of products and parts and recyclability of raw materials and resources.

This development also impacts Rabobank as it is, after all, virtually the only bank that finances the entire food chain world-

wide. Rabobank owes this position to its knowledge of the food & agri sectors and its clients' motives and by being situated where its clients are also active. Rabobank has carefully developed this since its foundation in 1898. The bank joins with its clients in striving for sustainability throughout the entire food chains: from 'raw material to plate'. It is guided in this pursuit by its Food & Agribusiness Principles. This reflects Rabobank's belief that it is possible to create mechanisms that both successfully increase food security

and protect natural systems upon which food production is dependent. Society moreover expects Rabobank, in its role as the leading food & agri bank, to make an active contribution to the food issue. The bank is committed to accepting its responsibility in this area. This furthermore fits in with its objective to convey mental market leadership in addition to being market leader in F&A markets (strategic framework). The five Food & Agri Business Principles ensue from this as strategic starting points:

1. Providing sufficient and safe food production
2. Using natural resources responsibly
3. Promoting social welfare
4. Keeping and caring for animals responsibly

“
As a co-operative bank, Rabobank is pleased to share its knowledge and experience with clients and relevant stakeholders
”

5. Helping promote well-considered consumers and citizen choices

The five Food & Agri Business Principles are united in Rabobank's quest to build a sustainable food production and supply with its clients. A sustainable food supply is comprised of the following different aspects:

- Sufficient food supply (more sustainable production and improved distribution);

- Safe food production (safe labour and working conditions and living environment);

- Healthy and safe food (no hazardous bacteria, viruses, antibiotics, pesticides or pollutants);

- A healthy diet (healthy eating habits and good public information services).

A sustainable food supply relies on healthy and vital ecosystems. This is why protecting high ecological values in the adjacent or nearby environment

upon which the food production is dependent is of foremost importance. This will ultimately make it possible for every human to have access to healthy food at an affordable price whilst conserving the vitality and resilience of nature.

In order to make a concrete contribution to the realisation of sustainable production chains, Rabobank has chosen to be active in multi-stakeholder initiatives in sectors relevant to the bank, such as the Round Table on Sustainable Palm Oil (RSPO), Round Table on Responsible Soy (RTRS), Bonsucro (sustainable sugar production) and in the innovative Fast Track Better Cotton Programme of the Better Cotton Initiative (BCI, sustainable cotton production). Rabobank has furthermore developed

a balanced set of theme and sector policy documents that set out the game rules for how the bank and its clients should act vis-à-vis certain topics (human rights and biodiversity) and production chains (including palm oil, soybeans, sugar, coffee, cocoa, fish farming, fishing, wood and cotton). The standards formulated in the roundtables and the bank's sustainability policy form the framework within which sustainable activities must be brought about in practice. Compelling examples are required in order to demonstrate what must be achieved in practice. The partnership with WWF is one of the initiatives that crystallise this.

Partnership with WWF

As a co-operative bank, Rabobank is pleased to share its knowledge and experience with clients and relevant stakeholders. The partnership with the WWF fits in with this aim. In the last decennium Rabobank has passed through several phases of stakeholder dialogue. In first instance, Rabobank reacted defensively on allegations raised by NGO's about activities of clients and the bank. To avoid that the Rabobank was vulnerable for this kind of accusations the bank introduced the capacity of issue management and commenced a proactive strategy towards relevant stakeholders through organizing a yearly multi-stakeholders dialogue in the form of expert meetings round an important topic such as 'clean technology' or 'sustainable agriculture'. In the next phase of Rabobank's stakeholder dialogue strategy the bank tried out partnerships with stakeholders. One of the first partnerships was with WWF NL in selling a climate credit card to private persons in 2006. A latest and most innovative form of dialogue is the 'multi partnership' as organized in the global partnership with WWF. Although the partnership is with WWF, there are many other stakeholders involved who play an important role in the projects both leading partners establish.

Food & agri projects

The mission of Rabobank and WWF within the partnership is to create compelling practical examples (best practice) of how to achieve a sustainable food supply. This pertains to projects involving co-operation within a chain with progressive local farmers, large companies (traders, production companies and retailers), government agencies, non-governmental organizations and private funds. The emphasis with the projects lies on testing innovative sustainable agricultural methods (such as precision agriculture) aimed at improving agriculture production in terms of increasing yields, profitability and sustainability. An important additional goal is – if eligible – training account managers and credit analysts of Rabobank in identifying and analysing biodiversity and ecosystem issues that clients can face.

The successfully completed projects are used in communications as content (proof) for transforming a standard production process into a sustainable process. A key objective for Rabobank

is that the projects are leveraged to strengthen and deepen the relationship with the participating clients.

Renewable energy and clean technology initiatives

There cannot be a sustainable food supply without sustainable energy and clean technology. Rabobank and the WWF will publish studies annually on topics including sustainable energy and clean technology and will jointly organise seminars for the bank's clients (entrepreneurs) in order to discuss the results of a study. Furthermore, both partners want to commence a project with Rabobank clients who want to benchmark the resource efficiency of their business operations with competitors in the sector and are keen to invest in clean technology solutions to improve their performance.

Infotainment

Rabobank will furthermore support the WWF marketing campaigns that fit in with the objectives of the partnership and will organise a roadshow for clients and members of local (member) Rabobanks whereby the message 'Building a sustainable food supply: enough food, healthy diet, resilient nature' will be spotlighted through infotainment.



Rabobank Group is a full-range financial services provider that operates on cooperative principles. Its origins lie in the local loan cooperatives that were founded in the Netherlands nearly 110 years ago by enterprising people

who had virtually no access to the capital market. Rabobank Group is comprised of 139 independent local Rabobanks plus Rabobank Nederland, their umbrella organisation, and a number of specialist subsidiaries. Overall, Rabobank Group has approximately 59,400 employees (in FTEs), who serve about 10 million customers in 48 countries.

In terms of Tier 1 capital, Rabobank Group is among the world's 30 largest financial institutions. Rabobank is consistently awarded a high rating by all rating agencies.

www.rabobank.com

Beyond Banking: Equipping the Next Generation of UK Young Entrepreneurs

by **Andrew Cave**,
Head of Sustainability,
RBS Group

The RBS Group has been a signatory of the UN Global Compact since 2003, and in 2010 I became Chair of the UK Network; working to promote the Global Compact's ten principles among UK industries and the wider UNGC community. We support the compact as we believe that the resources available to businesses can be leveraged to create sustainable development and a more sustainable economy – on both a local and global scale.

As part of building a sustainable RBS we recognise our responsibility to be a positive force in the communities in which we operate. One of the areas in which we focus is contributing to the development of young people in the UK. We do this through a range of programmes which focus on education, mentoring and fostering entrepreneurship.

MoneySense for schools

MoneySense for Schools is our financial education programme which, over the course of the last eighteen years, has become the largest financial education programme of its kind in UK secondary schools.

In 2007, research showed 90% of adults in the UK had never received lessons on managing money at school, while 66% felt that having lessons would have better equipped them to deal with the financial challenges of modern life. We believe financial awareness is a key life skill and our aim with the programme is to offer every school in the UK the chance to teach young people how to better manage their money.

MoneySense now reaches over 70% of secondary schools in the UK and has taught 2.5million young people about money. The aim is to give the opportunity of a financial education and to ensure it's of a quality that will enable young people to feel equipped to make informed financial decisions.

Using the skills of our staff and the expertise of our business we are well placed to offer these vital lessons. Because better financial education is so closely aligned to our aims as a business, we're committed to offering our knowledge, experience, funding and employee support to deliver this service.

We measure the effectiveness of MoneySense in part through an annual independent research study. Launched in 2007, each year it assesses the attitudes and behaviours of Britain's 12-19 year olds. 40,000 surveys have been completed by young people to date, making it the most comprehensive survey of its kind carried out in the UK. The results show that those who experience a MoneySense lesson benefit from it as they understand, budget and save more. This demonstrates progress towards achieving the long term goal of our programme - to produce a generation of customers who have the tools and knowledge to manage their personal finances well.

Supporting disadvantaged youth into enterprise

Through our strategic partnerships with organisations such as The Prince's Trust, we help thousands of young entrepreneurs

“*We go beyond banking services to equip young people with the tools they need to be more financially literate, knowledgeable about business and the opportunities and services available to them*”



get access to the business advice and financing they need to start up and succeed in business.

RBS has supported The Prince's Trust for over eleven years. The Trust runs programmes to give young people from disadvantaged backgrounds the skills, confidence and support they need for work and to lead successful lives. They work with young people who are unemployed, those without qualifications, ex-offenders and those leaving care.

The Prince's Trust Enterprise Programme, of which we are the largest corporate supporter, offers young entrepreneurs loan funding, advice and the support of a business mentor. Almost 3,000 young people were directly supported as a result of RBS support for The Trust in 2011. The charity is also backed by RBS employees who volunteer and fundraise on behalf of the Trust.

Youth poverty is a growing problem in the UK. There are more than one million young people in the UK not in education, employment or training. In 2011 RBS sponsored a flagship piece of research carried out by The Prince's Trust 'Broke, not Broken: tackling youth poverty and the aspiration gap' which highlighted the differences in the attitudes of young people from affluent backgrounds compared to those from disadvantaged backgrounds. The approach and support offered by The Prince's Trust helps to bridge this disparity - more than three quarters of young people helped by The Trust go on to work, education or training.

Student enterprise

Research has shown that enterprise education at school makes it more likely that students will go on to start a business, and that their business will be a success. We support and promote student enterprise and are the headline sponsors of two student enterprise competitions, run by Find Invest Grow (FIG). Together these represent the largest, most comprehensive student enterprise programme in the UK.

FIG supports undergraduates and recent graduates in the UK to start up in business, working with young entrepreneurs to support their business development and introduce them to

suitable investors. FIG has a presence both on-line and off-line through a variety of events and competitions, two of which are supported by RBS and delivered to over 100 universities around the UK.

The RBS ESSA (Enterprising Student Societies' Accreditation) is aimed at rewarding enterprising undergraduate student societies and the teams behind them. The programme promotes, encourages and rewards enterprising activities within societies in an attempt to increase the level of enterprising skills throughout the UK. The RBS EnterprisingU is the world's largest student business plan competition to find, encourage and invest in students' business ideas. Students submit their business ideas, the best of which are selected to pitch at a national level to an 'investor panel' of experts. The winners can access up to £25,000 for their business.

Our support for these programmes demonstrates how we go beyond banking services to equip young people with the tools they need to be more financially literate, knowledgeable about business and the opportunities and services available to them. We believe that a generation who manage their personal finances well and run profitable businesses will contribute to and boost the UK economy.

 **RBS Group**

The RBS Group is a large international banking and financial services company. From its headquarters in Edinburgh, the Group operates in the United Kingdom, Europe, the Middle East, the Americas and Asia, serving over 30 million customers worldwide. The Group provides a wide range of products and services to personal, commercial and large corporate and institutional customers through its two principal subsidiaries, The Royal Bank of Scotland and NatWest, as well as through a number of other well-known brands including, Citizens, Charter One, Ulster Bank, Coutts, Direct Line and Churchill.

www.rbs.com

Effective Corporate Social Responsibility: Key to Business Success

by **Natalia Gonchar**,
Head of Social Performance,
Sakhalin Energy

Since its establishment in 1994, Sakhalin Energy has based its activities on a strategy of sustainable development. It means achieving business goals while taking into consideration the potential environmental and social impacts on its employees and on local communities. This approach means no operational or technological decision is made without adequate environmental, health, and social assessments of the potential impact of the Project.

Successful implementation of a complex project like Sakhalin Energy's one would have been impossible without strict adherence to the best international practices in Corporate Social Responsibility (CSR), and sometimes even development and implementation of new international standards.

We define CSR as a set of measures to realize the Company's sustainable development policy, including its engagement with stakeholders. At the corporate level, a sustainable development policy and strategy ensure a gradual fusion of the economic, environmental, social, and human rights aspects of the Company's operations into a single, self-organizing system.

Sakhalin Energy endeavors to contribute to the future global agenda for corporate responsibility and is taking actions in support of broader UN goals and issues via:

- Company's core business strategy, which aligns with UN goals/issues on environment, labor, human rights, anticorruption, etc.;
- Strategic social investments and philanthropy, which is an integrated element of the company's sustainability strategy and MS;
- Fair, transparent, and open stakeholder engagement and information disclosure; unique three-level engagement mechanism;

“*No operational or technological decision is made without adequate environmental, health, and social assessments*”

- Robust and comprehensive mechanism to deal with concerns and grievances (company is one of four business participants in the UN's Ruggie Guiding Principles testing project);
- Implementing partnerships (see picture);
- Active participation in the Russian Global Compact Local Network openly sharing the best practices and experience.

In January 2011 UN General Secretary launched new Global Compact (GC) platform – LEAD initiative. Its primary goals are to support the leading UN Global Compact participants in their efforts to achieve higher levels of corporate responsibility as outlined in the Blueprint for Corporate Sustainability Leadership ('Blueprint') and to provide inspiration and learning for the wider universe of Global Compact participants and local Networks. As one of the 54 LEAD companies, Sakhalin Energy committed to achieve these tasks as well as to meet LEAD criteria, including the following:

- Demonstrate leadership globally by participating actively in at least one Global Compact working group, special initiative or LEAD Task Force;
- Demonstrate leadership locally by participating actively in at least one Global Compact Local Network; and
- Submit a Communication on Progress (COP) that covers the company's efforts in implementing the Blueprint.

Today we, as a company, are proud to lead Russian Global Compact Network, to have an opportunity to contribute into Global Compact Human Right Working Group, to take steps on further progress in CSR accountability and communication and promote this in the wider business community and with other stakeholders.



Sakhalin Indigenous Minorities Development Plan

Partners:

- Company,
- Sakhalin Government, and
- Regional Council of IP representatives

FPIC

SIMDP case has been included into the Stakeholder Engagement Handbook issued by the International Finance Corporation and the Plan is recommended by the parliamentary hearings of the Russian Federation Council of Federation as an example for other Russian regions. SIMDP was identified as one of the best practices by UN Permanent Forum on Indigenous Issues and at the "UN GC in Russia: Business and Indigenous Peoples" international conference.



What to Do in Emergency Situations

Partners:

- Company,
- Sakhalin Ministry of Emergency Situations,
- Sakhalin Department of Education

This complex educational programme is targeted at schoolchildren and has been in place for more than three years.

The programme's directions:

- Information and educational cartoons on the local TV-channels
- School-based resource classrooms of Life Safety Fundamentals
- Implementation of the best practices and new techniques of education for Fundamentals of Life Safety
- Events for children, designed to consolidate theoretical knowledge of the rules of safe behavior.



Korsakov Sustainable Development Partnership Council

Partners:

- Company,
- Korsakov Administration,
- Public

Initiated by the Company in one of the most critical communities on the Island. Now this partnership, uniting public, business and authorities, significantly contributes to local sustainable development and is moving to a new level with UNDP expertise.



Sakhalin Salmon Initiative

Partners:

- Company,
- Wild Salmon Center,
- Sakhalin Government

Salmon is one of the symbols of Sakhalin and is extremely important for life and culture of Sakhaliners, including indigenous peoples. The Initiative brings together international expertise and Russian experience.

The programme's directions:

- Habitat Conservation
- Public Salmon Councils
- Monitoring
- Sustainable Fisheries
- Sakhalin Salmon Park
- Educational programme



Road Safety Council

Partners:

- Company,
- Sakhalin Government,
- Sakhalin Police,
- Public

The first partnership of such kind established on the territory of the Russian Federation. Later this successful example was replicated in other regions.

Successful projects:

- Seat Belt Campaign
- First aid treatment to road traffic accident victims
- Reduced accident rate among children through Safe Journeys to School
- Improvement of high risk roads

From the Sakhalin Energy perspective the best way to do Social Investments, ensure contribution to sustainable development and effective stakeholder engagement is through partnership approach. Main focus of the Company's social investment activities is on implementation of long-term partnership projects with external stakeholders. The Company's projects:

- Result from consultations with the public and meet demonstrated needs in the communities impacted by the Company's Activities;
- Relate to issues that affect the Company's reputation;
- May not directly relate to the Company's activity, however, contribute to economic, environmental and social development of Sakhalin;

- Contribute to the sustainable economic, environmental and social development of Sakhalin and demonstrate to stakeholders the Company's commitment to this; and

- Meet the expectations of Lenders, Shareholders and other potential investors.

Social responsibility of a business is about the social impacts that it generates and the responsibility to those who are impacted whether directly or indirectly. In choosing its projects and targets Sakhalin Energy is guided by whether such projects are viable and have long-term potential and whether they are really capable of changing the communities' life for the better.

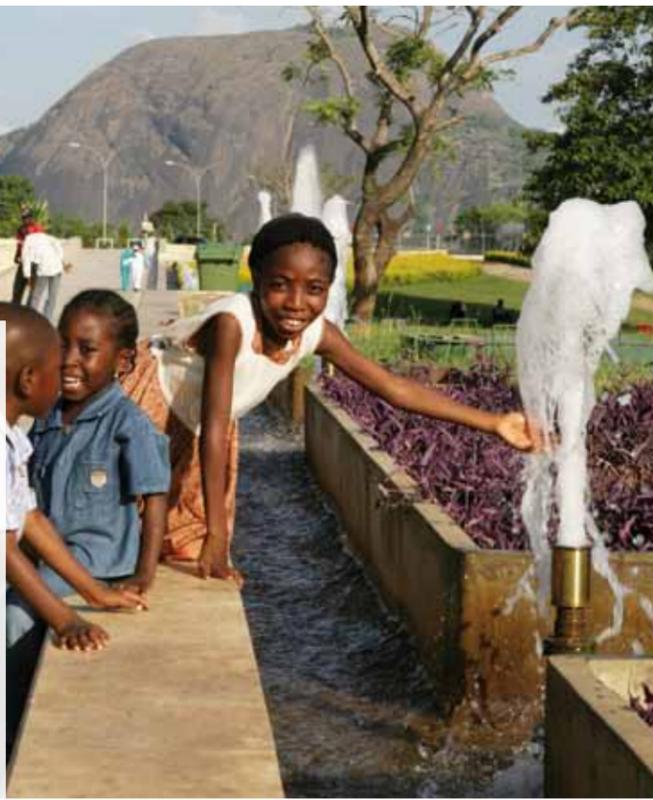


Sakhalin Energy Investment Company Ltd. (Sakhalin Energy) is an international company that operates one of the world's biggest integrated oil and gas projects – the Sakhalin - 2 Project (Sakhalin Island, Russian Far East), which has customers in Japan, Korea, China and other countries of the Asia Pacific. Since 1999, the Company was seasonally producing oil from Molikpaq – Russia's first offshore ice-class platform, as a part of Phase 1 of the Project. Two more offshore platforms were built and commissioned during Phase 2, which also included around 300 km of offshore pipelines to connect the three platforms to the shore, onshore oil and gas pipelines making altogether 1,600 km in length, an onshore processing facility, oil export terminal, and Russia's first liquefied natural gas (LNG) plant launched in 2009. Being the Russia's most innovative and technologically advanced project, Sakhalin-2 plays its part in overall development of the Russian oil and gas industry. Sakhalin Energy shareholders are Gazprom (Russia), Shell (UK-Netherlands), and Mitsui and Mitsubishi (Japan).

www.sakhalinenergy.com

Salini Costruttori and Its Contribution to Local Economies

by **Elizabeth Salini**,
Internal Audit Division,
Salini Costruttori



Today, Salini Costruttori is one of the leading companies in the construction industry. The Group is active in over 40 countries across four different continents. Operating in such a wide variety of contexts and geographies means the Group is required to meet the expectations of foreign countries, clients, local communities, and consumers as well as technical-operational counterparts who all have different histories, cultures and backgrounds. This can pose its own challenges.

The Group has worked towards a united vision and subsequent business model focused on the value of human capital. Salini has dedicated attention and commitment to the development of its own sustainability policy which is a core concept of the Company's business.

From an operational perspective, the sustainability focus adhered to by the Group, mainly consists in maximising where possible the key areas of intervention to the benefit of the local communities. These benefits are substantially related to job creation, capacity building, sharing of know-how and developing the professional skills of the local workforce, contributing to the growth of the regional economies by making use of local suppliers, investment in public utilities infrastructure and partnerships with local institutions and communities.

Employment and local development

Salini believes in its employees as important assets in its development process and fundamental in achieving the Group's objectives. Equal opportunity, non-discrimination, physical

well-being and moral integrity, fairness, honesty and professional development are all factors which guide the Group in the umbrella of human resources management.

The Group employs a strategy directed at the use of local workforce in areas where projects are located. At the end of 2010, Salini employed over 12,800 people worldwide, of which about 90% were hired from the local communities in proximity to areas where we conduct business operations.

The majority of staff were employed in Africa (76.1%), followed by Asia (15.8%) and Europe (8.1%).

In order to identify potential risk situations in human rights across all the Group operating sites, Salini studies local employment regulation, working hours, legal conditions and facilities before starting operations. The Group ensures a respect for the employees' rights and adheres with all national and international regulations in this respect.

The Group staff management policy makes provision for employees to receive adequate training for assigned duties in order to strengthen core competencies and develop individual skills. In doing this, Salini creates a working environment that facilitates the exchange of knowledge and interaction between all cultures. The Group is committed to the development of local resources through specific training courses that provide both academic and practical training, which helps to create a sense of identity and employee engagement.

Job creation plays an important role in enhancing capabilities of developing countries, not only by stimulating the local eco-

“*For Salini combining corporate values with ethical and sustainability principles is a core element of its business model*”

nomy but also in terms of capacity building. As a result, when projects are completed and delivered the local communities are able to start up their own small enterprises in the building sector, stimulating further job creation and new business opportunities for local economies.

Local suppliers

Salini is furthermore aware that building strong relations with its business partners is a key element to sustain its growth in the global market. In selecting its suppliers the Group is committed to transparency and fairness, firmly prohibiting any form of unfair business transactions and bribery. To ensure this happens, Group companies require that all their partners comply with specific rules and standards, including Salini's ethics, HSE and human rights-related principles.

The Group's supply strategy aims to satisfy the project's requirements as much as possible within the territories in which projects are located, according to local availability of needed goods and services. In particular, in excess of 65% of the supplier expenditure over the past three years has been focused on local enterprises and individuals, with this percentage peaking at around 78% in 2010.

Besides that, Salini is committed to sharing its knowledge and skills with local suppliers in order to promote their growth and technical improvement. Specific training activities for subcontractors are regularly delivered on HSE and quality issues. Finally, a proportion of social investment is focused on initiatives to support local enterprise development.

Supporting local communities

Salini's approach towards sustainability involves also local communities. The Group aims to generate benefits for people living in countries where the Group operates, respecting local cultures, needs and expectations and, moreover, creating and strengthening development drivers of the socio-economic system of each host country.

The main characteristics of the Group's local approach are as follows:

- dialogue and engagement with local communities and authorities before, during and after the execution of projects;
- adaptation of the work to diverse local contexts, in consideration of local and client requirements;
- initiatives for socio-economic development, carried out directly or by means of clients.

Salini plans and provides a wide range of programmes and activities on behalf of local communities, based on the outcomes of their needs' analysis. First of all, these initiatives concern actions for people living near construction sites. As a result, in the last years the Group has assigned significant resources to establishing buildings, schools, hospitals and roads, and has also secured the distribution of energy, water

and healthcare. In many instances this involves the use of our human resources, often expatriates to build these community structures or to share their expertise and technical skills with local people in support of local capacity building initiatives.

These structures may also result from the reuse or reallocation of Group facilities, such as access roads to sites, offices and workers' houses, used by Salini in the implementation phase of projects and which are made available for the community once the project has been completed. During the delivery of projects, local communities can also access some of these facilities, such as on-site clinics, training rooms, wells, roads and bridges.

Finally, Salini goes beyond the realisation of initiatives around its operating sites carrying out further interventions in the host countries mainly in the areas of healthcare, education and culture. For example, the Group has helped to finance, build and maintain the Millennium Park in Nigeria and the Gefersa Mental Rehabilitation Centre in Addis Ababa, Ethiopia. All of these facilities will benefit local communities for years to come, supporting further improvements in living conditions and facilitating further economic and social development.

Conclusion

For Salini combining corporate values with ethical and sustainability principles is a core element of its business model. In addition to the social-economic value generated by our projects for the host countries involved, we are committed to ensure to local communities the achievement of supplementary economic development.

This paper has been prepared to describe how this approach is put into practice by the Group.

salini
COSTRUTTORI

Salini Costruttori is a private industrial group specialising in the construction of major works. It is one of the leading Italian General Contractors and is considered to be one of the most important worldwide players in the hydro-electric sector. It operates in over 40 countries across four continents, employing over 12,800 people of about 60 different nationalities.

www.salini.it

Santander Universities: a Unique Program in the World

by **Joaquín de Ena Squella**,
Head of Corporate Responsibility and Patronage,
Banco Santander



Committed to higher education

Banco Santander has been cooperating with universities for the last 13 years in a programme that sets it apart from other banks and financial institutions in the world. This cooperation rests on the conviction that the best way to contribute to the growth and to economic and social progress is to support higher education and research. The Group contributed EUR 100 million in 2010 to cooperation projects with universities. The Santander Universities Global Division, with 2,047 professionals in 14 countries, coordinates and manages Santander's commitment to higher education, having achieved since its creation a long-term strategic alliance with universities that is unique in the world.

This alliance with universities enables us to cooperate with them in launching projects to improve education, as well as enhance their internationalisation, innovation and transfer of knowledge to society.

The bank has cooperation agreements with 938 universities in Argentina, Brazil, Chile, China, Colombia, Mexico, Portugal, Puerto Rico, Russia, Spain, the UK, the US and Uruguay.

Banco Santander's cooperation with universities is articulated around four elements:

- Integral cooperation agreements, which have enabled 4,149 academic, financial and technological projects to be launched in 2010.
- Support for international cooperation programmes between universities, such as national and international travel programmes for students and teachers, which promote the Latin American space of knowledge, strengthen the relation between students and teachers in Asia, Europe and the Americas and permit the exchange of ex-

periences between university students and researchers throughout the world.

- Foster and cooperate with international academic networks, such as the Latin American University network for the incubation of Companies (Red Emprendia).
- Support global projects, such as Universia, the largest university cooperation network in the Spanish and portuguese-speaking world, and the Miguel de Cervantes Virtual library.

“ *The best way to contribute to the growth and to economic and social progress is to support higher education and research* ”

Santander scholarship programme

In 2010, Banco Santander's scholarship programme and grants for study benefited 14,293 university students from 395 universities. Of the total 14,293 scholarships granted, 9,847 were for international travel and of them 5,657 were assigned to foster travel between Latin American countries.

The II edition of the Top China programme was held in which 103 Brazilian university students, selected from 1,600 people, went to China to study. Given the success of this initiative, the Top Brazil scholarship programme was launched in 2010 under which students from China's 9 most prestigious universities spent time in Brazilian universities.

In May 2010, under the framework of the II Meeting of Rectors of Universia in Guadalajara, Mexico, Santander announced the launching of 2 new scholarship programmes for a period of 5 years:

- A programme of 15,000 exchange and international travel scholarships between Latin American countries. The scholarships are worth EUR 3,000 and for a term.
- A programme of 3,000 scholarships for researchers (EUR 5,000 each one).

Innovation and transfer of knowledge

In the last few years, universities have made a great effort to give a big push to research focused on transferring it to the real economy, the creation of companies originating in universities and development of an entrepreneurial culture.

In this same line, Santander has been supporting for years initiatives related to innovation and the fostering of an entrepreneurial culture, with particular attention paid to those activities related to the training of teachers in entrepreneurship and recognising entrepreneurial activity in university students. Santander cooperated in 2010 in 40 university company incubation projects, enabling 400 new university firms to be launched.

Emprendia network

The Red Emprendia was created at the initiative of the Universities of Barcelona and Santiago de Compostela, with the support of Santander Universities, to promote and develop dynamic accelerator of a new culture and an institutional environment conducive to entrepreneurship and financial responsibility from the knowledge generated and shared by members of the university community and specifically to support the generation of new technology-based companies from research results.

Currently the network consists of 15 Latin American universities more dynamic and innovative in the field of business incubation. These universities host their incubators, annually, more than 400 new business ventures.

Santander chairs at universities

Santander has been promoting for years the creation of Chairs at universities for research and teaching, formed, in many cases, by multidisciplinary teams from several universities.

In 2010, more than 130 Chairs were supported by Santander for the development of their projects, which are mainly related to CSR, family-owned companies, innovation and fostering the entrepreneurial culture.

Miguel de Cervantes virtual library

The Miguel de Cervantes Virtual library was created by Banco Santander, the University of Alicante and the Botin Foundation in order to disseminate Hispanic culture throughout the world.

Since its creation 10 years ago, this digital library has incorporated more than 130,000 books and documents which are freely available on internet. In 2010, coinciding with the 200th anniversary of the independence of Latin American countries, the Miguel de Cervantes Virtual library paid particular interest to the creators of the first literature in Latin America. This special dedication has guided the institution in the creation of one of its most important projects, the Virtual library of Mexican Culture, inaugurated in June 2010.

Universia

Universia was 10 years old in 2010. During this time, it has consolidated itself as the world's largest university network. It embraces 1,216 universities from 23 countries and represents 14 million students

and university professors.

One of the keys to the success of Universia is that it helps to put the university world in touch with the rest of society, tending not only to the needs of training, but also other important demands such as the first job, the university-company relation, social networks and responsible leisure. In terms of employment, Universia maintains a strategic engagement with universities to encourage and facilitate the incorporation of the college labor market.

In 2010, 174,728 college students with less than a year of work experience have clinched their first job through Universia, additionally, Universia has begun to manage other types of employment such as professional practices in enterprises, part time, and professional more than one year of experience. Thus, the total number of professionals who have found employment through Universia in 2010 is 293,031.

Universia Foundation

This foundation promotes the inclusion of disabled university students and graduates in society and in jobs, fostering higher education and equality of opportunity. Activity revolves around 4 large programmes:

- Information, orientation and dissemination. This programme promotes advanced university studies on labour market entry for the disabled.
- Red programme. This fosters cooperation and work in the web between different institutions involved with the disabled, training and employment.
- Equality of opportunity and inclusion programme.
- Employment programme. In order to facilitate jobs for the disabled, the foundation created an employment portal and launched various initiatives.



Santander is a large international financial Group, which strives to satisfy all the financial

needs of its customers and provide an increasingly high return to its shareholders. To achieve this, it has a strong presence in 10 main markets, which it combines with corporate policies and global reach. Furthermore, the Group maintains a firm commitment to communities in all the countries in which it is present. Its main channel is Santander Universities. Other CSR actions relating to the environment and social action demonstrate the bank's strong dedication to sustainable development. All of this positions Santander as one of the most highly valued brands in the finance sector and represents the values that make the Group unique: dynamism, strength, innovation, leadership, commercial focus and professional ethics.

www.santander.com



facing 21st century
DISASTERS
Envision. Prevent. Respond.



We Are Challenging the Future Today for a Better Tomorrow

by **Ursa Manček**,
MSc Executive Assistant to CEO,
Triglav Group

In the Triglav Group, we are creating a safer future for our customers, employees, business partners and shareholders. To achieve this, it is necessary to set clear and innovative goals because our environment is constantly changing. Due to climate changes and the global economic crisis, we are facing growing social challenges. It is no longer possible to ignore these changes, so we (the Triglav Group) have decided to actively take part in finding solutions for a better tomorrow. For this reason, in cooperation with Challenge:Future, we have announced a competition on the topic of coping with disasters in the 21st century and offered young people a challenge of how can we create a better tomorrow today.

Sustainable development is important for society and all economic activities – and the financial sector and insurance business are no exception. This is why the Triglav Group's criteria for sustainable development are embedded in all of our business decisions. Our strategies for sustainable development are based on social responsibility in which we are implementing economic, legal, ethical and humanitarian responsibility. We want to contribute to a positive change for the environment we operate in and for the people who live in this environment. To this end, we are developing our ability to identify the environment's needs and actively respond to them by building long-term partnerships that ensure mutual progress. Considering the possible changes in the future and their solutions makes it possible for us to ensure security for tomorrow today. This is how we are ensuring a stable future for our policy holders in the Triglav Group.

Challenges of the 21st century

In times of environmental and political change, security becomes

even an even more important value than it is under normal conditions. At the same time, this value is usually taken away from the part of the population that needs it most; and, once lost, it is extremely difficult to get it back. Natural disasters and unforeseen situations resulting from environmental change are threatening parts of the population that are having most difficulty in dealing with the adverse effects. However, sustainable development makes it possible to preserve options for a safe future for the world's population.

The Triglav Group's regional expansion and growing awareness that the future will be marked by the global effects which bring local impact are what has fostered our idea and decision to connect our business vision of security to the global value of sustainable development. We have crossed over from a regional frame of thinking in the insurance business to a global view of the changing factors that are affecting our society. We were soon forced to face the fact that it is impossible to make precise forecasts of the future; however, by using a different mental approach, we can make out an outline of future situations that might affect the society we live in. But, in order to make a radical conceptual leap on a global level, it is necessary to include the thinking of the whole world. Following this principle is what led us to search for partners worldwide to join us in thinking about possible situations that might endanger the secure future of individuals and our society.

For these reasons, we have decided to work with the organizers of Challenge:Future (CF), a global youth think tank, announce a competition on the topic of coping with disaster in the 21st century and set a challenge for young people to predict potential disasters that may occur during the next fifteen years. The competitors were first required to predict both natural and man-made disasters/catastrophes,

“*In cooperation with Challenge:Future, we have announced a competition on the topic of coping with disasters in the 21st century and offered young people a challenge of how can we create a better tomorrow today*”

and to find innovative solutions in order to prevent them, prepare for them or eliminate their adverse effects. The best solution was selected by an international committee which also included two of our representative members – Tjaša Kolenc Filipič and Stanislav Vrtunski. We also achieved gold partner status in all developments within the context of competitions and projects by Challenge:Future in 2011 and Challenge:Future Summit 2012 entitled Global Youth for a Tangible Impact, which is operated and organized by Third Millennium Knowledge, CEEMAN and IEDC-Bled School of Management.

An outstanding response to the youth competition on the challenge of disasters in the 21st century

Due to the clearly defined vision for the project's global expansion, the organizers had to spread the news about this CF project all over the world. News about the competition also helped expand all CF partner communities. By providing bits of compelling information, they were able to attract attention and raise curiosity among young people. To ignite even greater motivation, they offered young people short challenges that gave them the courage and confidence to participate. The project's entire promotional activity was achieved through universities in 21 countries in Asia, Africa, North and South America, Oceania and Europe. The project's organizers also hooked up with 79 independent local representative offices in 31 countries. The representatives of these local offices helped spread awareness and the idea of Challenge:Future in colleges and universities. The promotion of CF was also conducted via the internet, through the project's own website, by sending direct messages via CF platforms and newsletters. The response was remarkable. Within a period of two months, the project's website had been visited by more than 20,000 people from 130 countries. More than 200 young people had submitted innovative ideas. The majority of them were associated with climate change, followed by social tensions and unrest, lack of food, water and fertile soil, energy crises, errors in the health system, air pollution, etc. A large response was also associated with disasters such as financial and currency crises, terrorism and Internet disasters.

The best ideas were presented at the Challenge:Future Summit 2012 in Bled

The most innovative and socially responsible young people from 38 countries were brought by the CF organizers to the Challenge:Future Summit 2012 in Bled, where they presented their ideas. Among these were three winners which had been selected by international judges from among 20 finalists in the competition "Facing Disasters in the 21st Century". The top three ideas were also rewarded with a scholarship to attend the CF Academy and CF Summit in March 2012, worth euro 2,500. Most importantly, all participants received the opportunity for their ideas to be converted into a live project in the future. The winning idea came from Singapore. Its author Muhd Ibnur Rashad proposed the idea of setting up "life labs" based on the principle of sustainable development, particularly in areas that are frequently affected by natural disasters. These labs would be used to develop ideas that would help people to properly prepare for natural disasters and to teach them how to get through disasters together. For example, young people should be taught:

- How to make a homemade water filter for drinking water;
- How to use plastic bottles to make a small floating garden, which is especially useful in areas with frequent flooding;

- To participate with fire-fighters to develop life-saving technologies and the like.

The runner-up was Zeev Trembovler, a participant from Israel who tackled the problem of food shortage and introduced self-sufficient and ecological floating plantations, where it would be possible to cultivate crops and at the same time obtain drinking water.

Third place went to the project by Alexander She, a participant from Hong Kong who addressed the social problems of an aging population which could lead to a collapse of the social and health system. The idea involves a structured concept of a self-sufficient community, adapted to elderly people – which includes the possibilities of housing, transport, medical care, employment in social enterprises, etc. The entire community would be founded on the principle of sustainable development and all the profit would return to improve the quality of life for elderly people.

About the Challenge:Future project

Challenge:Future is a community of talent and ideas dedicated to making the world a better place. This web-based platform, which involves 24,000 young people, is a hub of innovation and cooperation for a more sustainable world. The project's basic mission is to provide young people with exciting challenges and competitions so that they can gain experience, test their ideas in practice, acquire confidence and become successful in the real world.

Once a year, the project's founders and partners will announce a competition on a selected topic which relates to global business or social or environmental issues. This competition will give young people all over the world the opportunity to explore challenges and find creative solutions for a more sustainability-oriented world. Those with the best ideas (according to the opinion of the expert committee and the CF Community) will be invited to the CF Summit to present their ideas in person. Their solution for a better world will be presented not only to the committee, but also to the business world – so, all participants will get the opportunity to bring their project to life in the real world. The future hides a myriad of chances of making the dream that each of us dreams come true. Dreams are those that talk about a better future for society and for the whole world, and they ought to be encouraged and planted into fertile soil so that they can grow. The Triglav Group is pleased to be participating in motivating young people to assess the current global situation and ask crucial questions on what the future will bring, and actively participate in finding innovative solutions. The young people's solutions are all applicable and it is our challenge to implement them in the future.



The Triglav Group is the leading insurance-financial group in Slovenia and one of the

leading groups in South East Europe. It is present in eight countries and employs over 5,200 people. It has proven strengths, namely, knowledge, experience, trust and excellence towards clients, employees, shareholders and other stakeholders.

www.triglav.eu

Vitmark: a Business Model that Addresses Social Issues

by **Andrey Kren**,
Public Relations Manager,
Vitmark



Vitmark is a successful food Company, which operates in line with sustainability principles, promoting social development in Ukraine. The social foundation of the Company is found in its mission: "Social function of Vitmark-Ukraine Company's activity is an active care for people's health on the different life stages, starting from the very first months". The Company has been producing its products for healthy nutrition – juices, nectars, baby food – for more than 15 years. Quality of the Company's products is monitored on all stages of the production, starting from the selection of fresh raw materials. Baby food is produced by the Company according to multiple quality parameters.

The business model of Vitmark has been developed in order to address three main social issues faced by the Region in which the Company operates:

- the unavailability of high-quality products for consumers with low levels of personal income,
- the unemployment rate of rural areas,
- the instability of agricultural market for small farmers.

The business model created overtime has shown the ability to bring benefits for consumers, employees and suppliers, at the same time making the Company a successful example of innovation and social sustainability.

The main production plant of the Company is the Odessa Baby Food Cannery. The choice for this plant was made based on its unique production capacity and the importance of the plant for the Country, which was in the past the leader of Soviet Union baby-food market. The plant cooperates with large agricultural enterprises located in the south of Ukraine. The Cannery is located in the ecologically clean area of Odessa Region,

near the Kuchurgan river. In compliance with a special decree of the Council of Ministers of Ukraine, any artificial fertilization of land used to produce baby food products has been prohibited. Moreover, in the Odessa Baby Food Cannery there are sixteen modern Tetra Pack packaging lines for juices and nectars, and two lines for PET-bottle and two lines for glass packaging.

High-quality products at low prices

Before the entrance of Vitmark on the market, juices and nectars were considered unaffordable and luxury products for middle and low-income families in Ukraine. Vitmark's innovative business model has allowed to change the scenario, offering good quality and affordable juices for those families. Low-income consumers have indeed gained access to affordable and healthy juices, which help them in maintaining a healthy diet by providing essential vitamins and microelements.

Eventually, the importance of a healthy diet for consumers has indeed embraced the opportunity for the Company to gain new targets on the market. Vitmark popularizes and actively promotes the ideas of healthy development of the consumers and society as a whole. Through an innovative packaging system and the optimization of operational and production systems, as well as by sourcing its inputs locally, Vitmark has been able to increase the demand for juices from 199.4 million liters in 2002 to 705.2 million liters in 2011, conciliating the idea of "high quality products" with that one of "low and affordable prices". Vitmark was the first company in Ukraine to offer affordable juice in 0.2 liter, 1 liter, 1.5 liter and 2 liter

“*Innovation,
Social Issues and
Business Success*”

packaging. In particular, in 2002 the Company started the production of juices on "Odessa Baby Food Cannery" (since 2009 the products were called "Our Juice"), creating a new price segment that Ukraine haven't had before. Nowadays, juices TM "Our Juice" are so popular that have reached a total of 22% of the market share.

Quality standards

High quality of "Vitmark-Ukraine" Company's production is the result of careful control throughout the whole production process – starting from fresh raw materials selection and ending with the ready products' delivery to the shops. Company's production complies with the requirements of the approved state standard in accordance with physical-chemical and organoleptic parameters. The Company uses raw materials from its own fruit farmings, national agro-industrial complexes, located in the ecologically clean areas of Ukraine, and raw materials of the leading world manufacturers of fruit-vegetable semi-fabricates.

The raw materials, including vegetables and fruits, which enter in the processing, undergo careful control using the equipment of the Company's own laboratory, which underwent attestation in the State Standards Organization of Ukraine. Fresh raw materials are monitored according to more than 20 quality parameters.

The Company selects control samples from each ready production batch, which are investigated for compliance with the approved State standards by the specialists of Company's laboratory and by the experts of the State Standards Organization of Ukraine and Regional Department of Sanitary-Epidemiological Station.

Jobs and stability for people from rural areas; industrial modernization

The high rate of unemployment in rural areas of Ukraine is one of the Country's major problems. Vitmark gives a regular job to 2,500 employees, both all-year around and during the harvest season.

After the fall of the USSR in 1990, three national canneries (the Odessa Baby Food Cannery, the Kuchurgani Cannery, and the Rakhny-Lesoviye Cannery) stopped their activities, leaving its employees with no salaries. Moreover, at that time, modern tools and machinery for food preserving and packaging were absent. After the privatization process, by the end of 1990, Vitmark acquired the three canneries, leading towards a protection of workers and a modernization of the industrial process. Nowadays, the Company provides a regular monthly income to its employees, including the social pension funds, and the industrial plants are equipped with advanced Italian, Finnish, Swedish and German machinery.

Small farmers protection and market stabilization

During the years, Vitmark has created a solid supply chain with more than 100 small and 25 big farms, with which the Company signs long-term agreements, allowing farmers to plan in advance the activity needed overtime. In this way, the quality of the products is assured.

Vitmark

Vitmark-Ukraine Company, established in 1994, is one of the largest Ukrainian manufacturers

of juices, nectars, juicy drinks, baby food and semi-fabricates products, such as purees and concentrates. Company's Branches are opened in 12 large cities of Ukraine, there are remote offices and 6 focus teams in 14 cities. The Company's market share for juices is 27,5%, and the sales volume was 985 million Ukrainian Grivna -about 93.2 million Euros- in 2011. Vitmark-Ukraine Company has a total of 2,500 full time employees.

The main production plant of the Company is the Odessa Baby Food Cannery. Originally founded in 1867 as a private cannery, during the existence of Soviet Union the cannery covered about 60% of baby-food needs of USSR. In 90-s Odessa Baby Food Cannery entered a new stage of development - Vitmark Ukraine Company reconstructed the plant, equipped it with the latest western equipment and started to prepare it for the production of high-quality juices under "Jaffa" trademark.

www.vitmark.com

THE UN GLOBAL COMPACT 10 PRINCIPLES

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

LABOUR STANDARDS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

ANTI CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

1. Eradicate extreme poverty and hunger

Target 1a: Reduce by half the proportion of people living on less than a dollar a day

Target 1b: Achieve full and productive employment and decent work for all, including women and young people

Target 1c: Reduce by half the proportion of people who suffer from hunger

2. Achieve universal primary education

Target 2a: Ensure that all boys and girls complete a full course of primary schooling

3. Promote gender equality and empower women

Target 3a: Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015

4. Reduce child mortality

Target 4a: Reduce by two thirds the mortality rate among children under five

5. Improve maternal health

Target 5a: Reduce by three quarters the maternal mortality ratio

Target 5b: Achieve, by 2015, universal access to reproductive health

6. Combat HIV/AIDS, malaria, and other diseases

Target 6a: Halt and begin to reverse the spread of HIV/AIDS

Target 6b: achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it

Target 6c: A Halt and begin to reverse the incidence of malaria and other major diseases

7. Ensure environmental sustainability

Target 7a: Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources

Target 7b: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss

8. Develop a global partnership for development

Target 8a: Address the special needs of least developed countries, landlocked countries and small island developing states.

Target 8b: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.

Target 8c: Deal comprehensively with developing countries' debt.

THE UN MILLENNIUM DEVELOPMENT GOALS

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EDITED BY
Global Compact Network Italy

EDITING COORDINATION BY
Lara Bianchi and Alessia Sabbatino

DESIGNER
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Edited by:



Global Compact Network
Italy

Global Compact Network Italy Secretariat
info@globalcompactnetwork.org
www.globalcompactnetwork.org