

The European UN Global Compact Companies Towards Rio+20

A BEST PRACTICES COLLECTION

Edited by



Global Compact Network
Italy

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 ef-

fort 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

In 1992, the United Nations held their Conference on Environment and Development (UNCED) in Rio de Janeiro, Brazil. During the Conference, which came to be known as the Earth Summit, more than 178 governments adopted Agenda 21, a program of action for sustainable development for the 21st Century. Recognizing that economic development and environmental protection are not mutually exclusive ideas, Agenda 21 outlined measures that fight poverty while preserving natural resources. Ten years later, at the Johannesburg Summit, a plan of implementation was agreed upon by participating countries, along with a commitment to achieve the Millennium Development Goals by 2015. In 2009, the UN General Assembly adopted a Resolution agreeing to have a United Nations Conference on Sustainable Development (UNCSD) in 2012, also referred to as "Rio+20". The three objectives of this Summit are to secure renewed political commitment for sustainable development, assess the remaining implementation gaps of commitments that have already been agreed upon and address emerging challenges. The Conference will focus on two main themes: establishing a green economy within the context of sustainable development and poverty eradication and creating an institutional framework for sustainable development.

Rio+20 will set the sustainability agenda for the next decade. Cooperation and collaboration among public and private actors will be imperative to building synergies in interventions and ensuring that the agenda will be advanced in the most

effective and efficient manner. In an increasingly dynamic socio-economic environment, companies are, indeed, more and more expected to play a prominent role as political actors within the new global governance framework.

To coordinate the business contribution at Rio+20, the World Business Council for Sustainable Development, the International Chamber of Commerce, and the UN Global Compact have formed Business Action for Sustainable Development 2012, an inclusive coalition that will serve as business voice at Rio+20. This coalition will ensure that business is recognized as a solutions provider in the sustainability space and that it remains fully engaged in the Rio+20 process. Within this framework the UN Global Compact Local Networks have been asked by the UN Global Compact Office to support the advancing the sustainable development agenda.

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 represents a first attempt to give an adequate answer to the UN Global Compact Office request.

The best practices collection contains forty-nine articles written by companies that operate in fifteen different European countries: Austria, Belgium, Bulgaria, Denmark, France, Germany, Greece, Italy, Netherlands, Norway, Poland, Russia, Serbia, Spain, Sweden. All the articles included in this collection focus on sustainable development initiatives and programs carried out by European companies participating to the UN

Global Compact, to help advance sustainable business models and markets coherently with the Rio+20 logic.

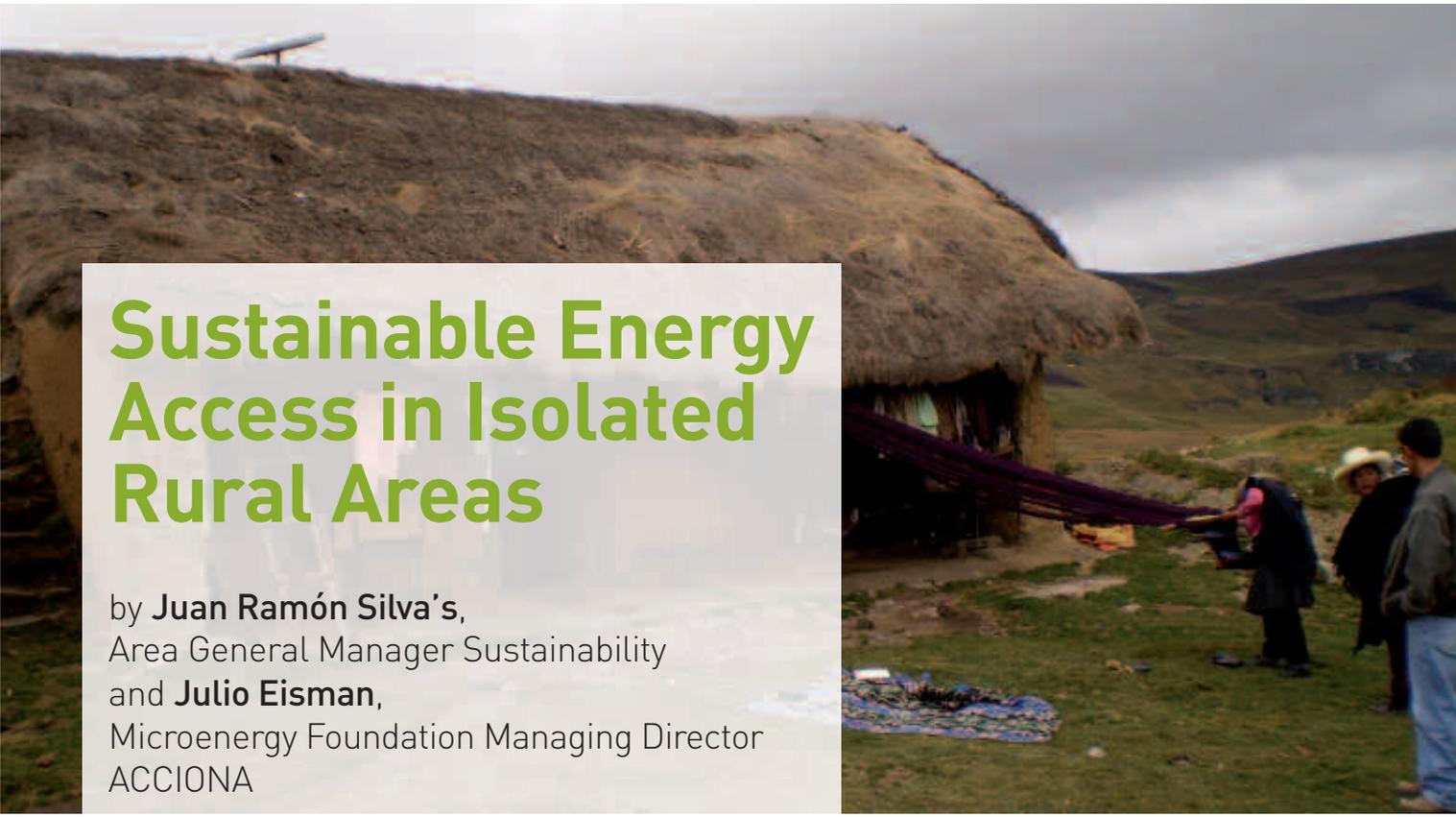
This publication has been edited by the UN Global Compact Network Italy within, and as a result of, the increasing European based UN Global Compact Local Networks communication and collaboration framework. It can certainly be considered as an extremely powerful sharing knowledge tool in a "learn from each other's experiences" logic. 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.

We are confident that the commitment to sustainability that comes out of this best practices collection sets up a first concrete contribution to the UN Global Compact way towards Rio+20. A special thank goes to all the European UN Global Compact Networks for their precious support in making it possible.

- 1** Preface
by Soren Petersen, Head of Local Networks,
UN Global Compact
- 2** Introduction
by Marco Frey
Chairperson Global Network Italy
- 6** Sustainable Energy Access in Isolated
Rural Areas
by Juan Ramón Silva's, Area Manager
Sustainability and Julio Eisman, Microenergy
Foundation Managing Director, Acciona
- 8** ACEA for innovation: the Smart Grid pilot
project
by Stefano Antonio Donnarumma, Chairman
Acea Distribuzione SpA
- 10** From the road to the sky: mobility
according to Altran
by Manuele Menchinelli Sanza,
Chief Sustainability Officer, Altran Italia
- 12** Partnership to build and operate
an eco-friendly plant
by Dominique Héron, VP for institutional partnership,
Veolia Environment and Renoit Papy, CEO CLE Brasil
- 14** From Nature to People, from People to Nature
by Alexander Chobanov, Human Resource Director
Assarel Medet JSC
- 16** Atlas Copco helps build cleaner, greener cities
by Karin Holmquist, Vice President Corporate
Responsibility, Atlas Copco
- 18** Autostrada Eksploatacja SA: motorway
maintenance neutral for climate
by Renata Rychlewska, PR Manager, Autostrada
Eksploatacja and Jacek Dymowski, CSR Advisory
Abadon Consulting Autostrada Eksploatacja
- 20** "L'angolo della Prevenzione": a further step
forward in our commitment towards safety
by Simonetta Giordani and Andrea Ragni,
Public Affairs Office, Autostrade per l'Italia
- 22** Investing in the Community
by Reviving Cultural Heritage
by Maja Kolar, Head of Marketing and Communications
Department, Banca Intesa Beograd
- 24** From three-layer floorboard
to ecological biofuel producer
by Jacek Dymowski, CSR Advisor, Abadon Consulting
and Mariola Sykuła, IR Director, Barlinek SA
- 26** Scaling up Food Fortification Partnerships
by Andreas Bluethner, Senior Global Manager
BASF Food Fortification/ BoP, Laura-Jane Nord,
Project Associate, BASF Food Fortification
- 28** BBVA's Global Eco-efficiency Plan:
managing our direct environmental impacts
by Tomás Conde Salazar, Director of Sustainability
BBVA
- 30** Intelligent Mobility for the Cities of the Future
by Miki Yokoyama, Corporate Strategy and Planning,
Sustainability and Environmental Protection
BMW Group
- 32** Budimex: What creation is about
by Łukasz Kubiak,
Senior Communications Specialist, Budimex
- 34** Carrefour's commitment towards
Zero Deforestation
by Sevda Latapie-Bayro, Head of Sustainable
Development Department, Carrefour Group
- 36** Water Stewardship at Coca-Cola HBC Greece
by Vassilios Lolos, Public Affairs and Corporate
Communication Director, Coca-Cola HBC Greece
- 38** Integrated, sustainable and responsible
management of the supply chain
Ángela M^a, Montenegro Martínez
Organization, Human Resources and Corporate Social
Responsibility Director, Contradas y Obras
- 40** Fund for the future
by Nadica Milanovic, Project Manager, Delta Foundation
- 42** 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 Solutions & Innovations
- 44** Separate Waste: Education for
Sustainable Development
by Monika Romenska, Director PA,
Communication & Regulations, Ecopack Bulgaria AD
- 46** Edison's Protection of Biodiversity
by Francesca Magliulo, CSR Manager, Edison
- 48** A sustainable approach throughout the
green coffee supply chain
by Katrien Delaet, Head of Sustainable Projects
Efico Group
- 50** Improving Access to Energy:
eni's Flaring Down Actions
by Sabina Ratti, Sustainability Vice-President, eni
- 52** An example of stakeholder dialog
in Stolipinovo
by Kalina Trifonova, Member of the Management Board
EVN Bulgaria, EVN AG

- 54** Corporate volunteering programme of Erste Bank Serbia
by Ana Devetak, Communications Division
Erste Bank a.d. Novi Sad
- 56** Biomass for Energy in a Green Economy: the Essent Story
by Nina Skorupska Chief Technology Officer and Marga Edens, Director Corporate Responsibility, Essent
- 58** Moving Inclusive Museum – Design For All
by Natasa Krstic, Head of Marketing and Corporate Communication Division, EUROBANK EFG
- 60** "GDF SUEZ rassembleurs d' energies" for access to sustainable energy for all
Francoise Guichard, Sustainable Development Senior Vice-President, GDF SUEZ
- 62** The Green Building Workshop of the Generali Group
by Tina Paillet, Head of Generali Immobiliare Asset Management, Generali Group
- 64** Sustainable and transparent drinking water solutions for the developing world
by Louise Koch, Programme Manager, Grundfos LIFELINK
- 66** Project Malawi celebrates its 6th birthday
by Valter Serrentino, CSR Manager, Intesa Sanpaolo
- 68** Italcementi Group – Health at work
by Stefano Gardi, Sustainable Development Director Italcementi
- 70** How to be a responsible investor
by Eli Bleie Munkelien, Vice President Corporate Responsibility, KLP
- 72** Renewable Energy – when waste becomes a resource
by Dejan Damljanovic, Process & Environmental Manager, LAFARGE BFC
- 74** La Poste Moves to Achieve Responsible Purchasing
by Stephanie Scoupe, Assistant to the Chairman's Adviser Sustainable Development Ethics, La Poste
- 76** Inclusion of women disadvantaged groups
by Rafael Arjona Jiménez, General Manager, Limasa
- 78** Novozymes' integrated approach to sustainability
by Mette Gyde Møller, Sustainability Manager, Novozymes
- 80** Overgas – Bringing Children to Nature
by Elisaveta Andonova, Public Relations Department Overgas
- 82** "Two sectors – one vision" coaching for social leaders
by Elzbieta Zórawska, PwC Poland Foundation Coordinator
- 84** The position of partnership with WWF in Rabobank's food & agri strategy
by Richard Plechocki, Programme manager Partnership Rabobank, WWF Rabobank Nederland
- 86** Renfe's HST: High Sustainability Trains
by Santos Núñez del Campo, Sustainability an Environmental Manager, Renfe
- 88** Effective Corporate Social Responsibility: Key to Business Success
by Natalia Gonchar, Head of Social Performance Sakhalin Energy
- 90** Salini Costruttori and its contribution to local economies
by Elizabeth Salini, Internal Audit Division Salini Costruttori
- 92** Santander Universities: a Unique Program in the World
by Joaquín de Ena Squella, Head of Corporate Responsibility and Patronage, Banco Santander
- 94** Working together for the environment: a new perspective
by Domenico Negrini, CSR Manager Snam Rete Gas S.p.A
- 96** 2011 Trend: "Cherry Blossom Law" Initiatives
by Michela Cocchi, CEO and Daniela Nastasia, Lawyer Associate, Avv. Michela Cocchi - Studio Legale
- 98** Telecom Italia Smart Services: the Way to Achieve Smart and Green Cities
by Milco Accornero, Public Sector – Vertical Marketing & Smart Services, Telecom Italia
- 100** TERNIA and the management of impacts on biodiversity
by Fulvio Rossi, CSR Manager, Terna
- 102** Building and district eco-design
by Maxime Trocmé, Environment & scientific manager, VINCI
- 103** The UN Global Compact 10 Principles
- 104** The United Nations Millennium Development Goals



Sustainable Energy Access in Isolated Rural Areas

by **Juan Ramón Silva's**,
Area General Manager 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.

“*Work with others to meet the real demands and basic needs of the rural population in developing countries*”

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 of 2010

In 2010, 610 solar home systems has been installed, providing basic electricity supply to 610 households in the areas of San Pablo, Tumbadén and Namora in the Department of Cajamarca. This marked the beginning of the Luz en Casa (Electricity in the 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 handicrafts, 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.



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.acciona.es



ACEA for innovation: the Smart Grid pilot project

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

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

The liberalisation of the electricity generation market has led to considerable changes in the model for energy generation and the transmission of electricity, and has led to the definition of a new grid concept. Up until now generation has been concentrated in large facilities (centralised production) connected to the transmission grid, providing a one-way power flow towards end users. This model is now 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. Distributed power generation will develop further, together with enhanced service quality, especially in terms of voltage continuity and regularity, supporting the development of electrical

transportation.

In this respect, Directive 2009/72/EC 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

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

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."

The Acea Group, through Acea Distribuzione, the company that manages the electricity distribution network, has met this challenge by submitting a smart grid pilot project to the Authority. The project, concerning a network already operating in

the Malagrotta - Ponte Galeria area, promotes the involvement of other leading industrial organisations that have acquired specific skills in the various aspects of technological innovation to be implemented.

The four 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 and the creation of storage systems – 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, designed to 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 and significantly improve the continuity performance of the service, acquiring the ability to identify grid sections affected by breakdowns almost immediately. 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. The creation of storage systems will not only support the growth of power transportation in Rome, but the scenario described here is a fundamental building-block for the construction and management of reliable and efficient smart grids.

A testing phase for the implementation of the project is planned at the Flaminia/F Primary Substation for the installation and offline checking of the main functions of the project, to be followed by implementation in the identified area, with the setting up of a central station for the monitoring of the operational power levels of the "pilot grid", and the activation of a telecommunications system designed to provide constant data exchange between the nodal points of the medium voltage grid and the central system.

Table 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, started up by the company in January 2011, was one of the eight pilot projects approved by the Authority for incentives (Resolution ARG/elt 12/11 published in February 2011), and was ranked fourth in order of importance (Priority Indicator) and second with regard to the 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 the implementation costs (economic aspects). The technical elements assessed, each of which received a specific number of points, covered four areas: 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 imple-

mentation 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.). The relationship between expected benefits, i.e. technical aspects of the project, and costs resulted in the creation of a Priority Indicator (IP). The Acea Distribuzione project, which will have a total cost of 4.9 million Euros and will be carried out in Rome by the end of 2012, 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 its design, with enhanced levels of automation and remote monitoring, resulting in a positive impact on service continuity and quality.

The Smart Grid Pilot Project will be completed over a 19-month period, and the project will be replicated in other urban areas. It is the first stage of a much larger and more widespread Strategic Plan for the technological innovation of the distribution network, for which Acea Distribuzione has already defined targets and development stages until 2016.



Acea Distribuzione, 100% owned by Acea SpA, 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 29,000 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 175,000 lighting fixtures and over 198,000 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 31.12.2010 the company had 1,505 employees, a production value of 398.5 million euros and a profit for the year of 45.1 million euros.

www.aceaspa.it



From the road to the sky: mobility according to Altran

by **Manuele Menchinelli Sanza**,
Chief Sustainability Officer
Altran Italia



As European leader in innovation and technology consulting, Altran could not remain indifferent to market demands, client expectations or changes in society related to sustainable development issues. Altran, therefore, mobilized a number of its specialists to develop sustainable solutions in the fields of energy, mobility, security, health, Corporate Social Responsibility (CSR) and sustainable finance. These solutions have already underpinned several of Altran's client projects.

JUST 2, a concept car designed for dynamic carsharing

Just 2 is a concept electric car designed specifically for car pooling. Altran Pr[i]me designed a concept car in the field of a dynamic carpooling, which includes this service as cue for reflexion at the level of associated service, embedded systems, architecture or powertrain.

The rapid globalization of the automotive industry has prompted carmakers and equipment manufacturers to address several different issues at the same time; going to the extreme, in certain cases, to adapt and personalize their vehicles, while respecting environmental constraints and regulations as well as Time-to-Market requirements. According to Altran, however, step-by-step innovation has now reached its limits as regards meeting these challenges.

Another approach is possible: idea generation. This implies getting back to the basics in order to adopt different ways of thinking and working, and moving towards a co-creation approach by taking inspiration from other sectors.

After an approach to mobility "whole car" in the 90's, since 2005

“*Mobilized a number of its specialists to develop sustainable solutions in the fields of energy, mobility, security, health and sustainable finance*”

there has been a rehabilitation of soft ways to move on environmentally friendly (pedestrian, bicycle, etc). Therefore, the combination of multiple ways of transport is not always easy for the users who wants to move in large areas. In this dynamic new multi-transportation, the car has still a special place and it is one of the main way to travel because of the extent of urban areas.

Because of its environmental impact and its network saturated, the car use is considered more and more damaging.

Real solutions of self-mobility emerging let people reconsidering the conventional car use: carpooling and car sharing streamline parks and modify applications.

The car must take into account these changes. In this sense, Altran Pr[i]me came up with a concept car around the dynamic carpooling, which includes associated service, embedded systems, architecture or vehicle powertrain.

This is the philosophy behind "Just", designed by Altran Pr[i]me to illustrate the Group's innovation skills in the automotive field, which exploit to the full Altran's

multi-skill/multi-sector positioning. While focusing on the essential user-functionalities, this basic car concept remains attractive since the automobile itself is still a cult object. The "Just" is designed to reconcile the automobile with the environment, by limiting energy consumption and using available resources.

Solar Impulse

Solar Impulse is the first manned solar aircraft able to fly day and night without fuel or pollution. Solar Impulse is a revolutionary concept that seeks to push back the limits of our knowledge of mate-

rials, energy management and man-machine interface. With its huge wingspan equal to that of an Airbus A340, and its proportionally minimum weight, the HB-SIA prototype presents construction features and an aerodynamic quality never before realized. This places it in a yet unexplored area of flight. Carbon fiber structure, propulsion chain and flight instrumentation have been designed to save energy, while resisting difficult conditions facing the airplane and pilot at high altitudes. The balance between weight restraints and resistance is only one of several challenges facing the Solar Impulse airplane.

The question of energy defines the entire project. At midday, each square meter of land surface, in the form of light energy, receives the equivalent of 1000 watts, or 1.3 horsepower of light power. Over 24 hours, this averages out to just 250W/m². With 200m² of photovoltaic cells and a 12 % total efficiency of the propulsion chain, the plane's motors achieve an average power of no more than 8 HP or 6kW – roughly the amount of power the Wright brothers had available to them in 1903 when they made their first powered flight. And it is with this energy, optimized from the solar panel to the propellers, which allow Solar Impulse to fly day and night without fuel!

The prototype HB-SIA is the first manned aircraft invented that can fly on solar energy day and night without fuel. It can reach a speed of approximately 70 kilometers per hour. The body of the aircraft is made of carbon fiber and has 11.628 photovoltaic cells that power its four motors. The wingspan is 63,4 meters (equal to an Airbus A340) and the plane weighs around 1600 kilograms (like an automobile).

The work has already begun on a second prototype, HBSIB, which is designed especially for long-range / long-duration flights.

Founders

The founders of this project are Bertrand Piccard and André Borschberg.

Bertrand Piccard is the Initiator and Chairman. He is a psychiatrist and an aeronaut, known for being the first person to complete a non-stop round the world balloon flight. André Borschberg is the Co-Founder and CEO. He is an engineer, graduate in management sciences, and an airforce and helicopter pilot.

With each of their great achievements, these adventurers of the 21st century constantly are continuing to push the limits of the impossible.

The partnership Solar Impulse – Altran

Altran is Official Partner of Solar Impulse. The Altran and Solar Impulse relationship has taken shape in the form of enthusiasts who have pooled their expertise and drive, turning a dream into reality. Since 2003 Altran has become involved in the Solar Impulse adventure as an official partner, with determination along side Bertrand Piccard, André Borschberg and their team.

Our commitment to Solar Impulse is a reflexion of the three very concrete challenges formulated at the outset in 2003: the challenge of innovation and creativity that would emerge from this project, the challenge of bringing together teams of experts with an ideal of

excellence, and the challenge of the means and resources necessary to see the project through. It's our aim to think up the impossible and make it possible.

Altran's experts have been involved in the construction of a mission simulator that allows efficiency in technological choices, defining aircraft parameters, development of flight strategy and the effects of weather conditions. It is a complex and fascinating challenge, given that thousands of parameters need to be analyzed (air mass, position of the sun, etc.), in order to determine the exact energy necessary for the aircraft. This precision tool developed by Altran enables the Solar Impulse team to anticipate the difficulty related to the project and provide more efficient solutions. Altran has also participated in the efficiency of the aircraft powering system: solar cells on the wings, electric motors which activate the propellers, batteries that enable to fly at night, electronic display unit and regulators for managing energy. All this allows the aircraft to remain in flight for several days without any other form of energy other than the sun.

Altran's expert aeronautic consultants have been called upon to provide the Solar Impulse team with support in the development of the specifications and carbon composite structure design of the second solar aircraft prototype, HB-SIB.

Altran is also employing all of its skills to equip the HB-SIB with a stability augmentation system which is needed for the next stages of the project – long distance flights lasting up to 2 full days and the final objective of the project, a round the world, solar flight in five legs.



The Altran Group was born in France 28 years ago and is listed on the Paris Stock Exchange. It offers consultancy to the principle companies throughout the world on: technology and innovation; organisation and information systems, strategy and management.

Altran Italia counts clients of primary importance in the sectors of Energy, Transport, Aerospace and Defence, Telecommunications, Media, Banks, Insurance and Civil Service. It has more than 2400 employees and it covers most of the country. Altran Italia actively follows United Nations Global Compact principles, complies with the Carbon Disclosure Project and is a partner of Sodalitas Foundation.

Altran Italia's Operational Divisions are:

- TEM: Telecommunications, Electronics and Media
- FSG: Finance, Banks, Insurance, Civil Service
- ASD: Aerospace and Defence, Rail and Sea Transport, Safety
- AIT: Automotive, Infrastructure, Transport
- EILIS: Energy, Industry, Life Sciences

www.altran.it

Partnership to build and operate an eco-friendly plant

by **Dominique Héron**
VP for institutional partnerships,
Veolia Environment
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;
- VWS 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

“

Steel is infinitely recyclable - it is also the most recycled material in the world. Our corporate responsibility strategy helps us drive performance not only in making the steel making process more sustainable but also in providing innovative steel solutions for renewable energy, lighter cars and energy efficiency in buildings

Charlotte Wolff, Corporate Responsibility Manager, ArcelorMittal

”

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).

“ *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

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



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 Resource Director
Assarel Medet JSC

A Corporate social responsibility is our cause! For us it means "Achieving corporate success in respect to moral values and satisfying the ethical, legal, environmental and social expectations of society to 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 experience 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 reclamation 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

“*Achieving corporate success in respect to moral values and satisfying the ethical, legal, environmental and social expectations of society to the company*”

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.
- 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 Wemco - 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/Hydro-metallurgy/. The first cathode copper was produced on 19.12. 2010 As a result of this project, we expect about twice increase of the re-

serves 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



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.

“ *Atlas Copco's promise to customers and society can be summed up in two words: sustainable productivity* ”

Improved road paving

When new roads are needed, Dynapac's innovative Compactasphalt 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 conditions* 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.



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

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



Autostrada Eksploatacja SA: motorway maintenance neutral for climate

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

Road transport is a significant consumer of fossil fuels and a source of greenhouse gas emissions. Carbon neutral motorway? Sounds like a dream, 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 Wielkopolski 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 parkings, technical cars working on the road, including snow removal processes). At the same time, the company is responsible for taking care of plants next to the road.

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 regards to new activities related to the low carbon approach – there are plans regarding initiation of 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 the emissions are caused by coal burning as a source of heating and petrol and diesel powered cars. The company has begun installing natural gas as a source of heating in place of coal.

“
Eco-efficiency close to core business activities and increasing fuel prices mean that this policy is not "nice to do" category any longer, but rather "must to do"
”

- **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 remembered 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). It means that we are able to take some amount of CO₂ from the atmosphere only for a limited period of time, unfortunately. 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. It is effective for the Polish economy which is based on huge resources of coal, but due to that fact, 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 regards 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. The same – 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.

Generally it is 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 talk", 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 initial 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 in-

fluence 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 chose 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 is responsible for collection of toll for taking a trip on tolled A2 sections 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 carried soon (end of 2011).

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



“L’angolo della Prevenzione”: a further step forward in our commitment towards safety

by **Simonetta Giordani** and **Andrea Ragni**,
Public Affairs Office
Autostrade per l’Italia

Road accidents have for some time been a matter of great importance in an international context because of the high number of deaths or permanent and temporary invalidities they cause every year worldwide.

This problem has also been a priority for some time because of the enormous costs it generates for society: human costs, costs linked to the loss of productivity, health costs, costs for material damages and administrative and legal costs.

It is estimated that in Italy alone the social cost of road accidents amounts to approximately 30 billion Euros, and that this is quadrupled considering the European Union as a whole.

For these reasons, the identification of strategies and means of prevention to slow this “emergency” down in the short, medium and long term has become a priority.

In terms of motorways in 2010 (State Police website), there were approximately 33,000 accidents with 16,000 injuries and 315 victims.

The main reasons for the most serious accidents are a series of incorrect behaviours, such as excessive speed, distracted and dangerous driving, the failure to respect safety distances and the consumption of alcohol and drugs. But there are other important risk factors that may contribute towards the phenom-

enon of road accidents, including the condition and safety of motor vehicles and illnesses: epilepsy, diabetes, cardiovascular illness, sight problems, and problems related to sleep, stress and tiredness. Lorry drivers in particular are susceptible to these problems due to the very nature of their profession.

“
*We are convinced
that safe driving cannot
depend solely upon
the good health
of the driver*

Ing. Giovanni Castellucci, CEO
of Autostrade per l’Italia

”

Safety at all levels has always been a priority commitment for Autostrade per l’Italia and road safety is one aspect of this commitment in which considerable results have been achieved, with a reduction of over 50% in the mortality rate over the last decade and a 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 Tutor (an electronic control system of average speeds over a determined segment) and

road surfacing using self-draining asphalt, carrying out specific interventions on points of the network with a percentage of accidents on excess of the average rate and the realisation of education, awareness and information campaigns concerning correct driving behaviour.

In 2010 Autostrade per l’Italia has gone further, launching a new safety initiative dedicated specifically to lorry drivers, the professional category that is most susceptible to risk factors linked to health. Entitled “L’angolo della Prevenzione”, this

campaign has the objective of providing lorry drivers travelling on the Autostrade per l'Italia network with an innovative and free service for monitoring their general state of health. During the first phase of the project, the service was provided thanks to the partnership with the international group AXA Assistance, for a period of 6 months, with two multimedia stands equipped with advanced medical equipment in two of the main service areas on the Italian network, on the A1 Milan-Naples motorway, located at the centre of the areas with heaviest traffic flows: Arda Ovest (Piacenza) and Prenestina Est (Rome).

The multimedia stands enable:

- the self-measurement of certain basic physiological parameters (maximum and minimum blood pressure, heartbeat and partial oxygen pressure in the blood)
- some of the main haematological analysis to be conducted (for example PSA – prostate examination, the professional lorry drivers' illness – glycaemia, triglycerides, overall cholesterol level, HDL and LDL, etc.).

In addition, thanks to a video communication system, assistance by specialist medical personnel is also provided, illustrating the results of the tests carried out, in respect of privacy, providing advice concerning eating, diet, physical activity and more detailed tests to be agreed with the personal general practitioner. "L'angolo della Prevenzione" therefore focuses on prevention, a necessary aspect for the safety of drivers and all road users, but at the same time can be a warning system for those requiring detailed medical tests should the need arise.

The project, realised in collaboration with the Anas Motorway Concessions Vigilance Inspectorate (IVCA) and commercial partners Autogrill, Eni and Esso, has seen a favourable response from the national representatives of the main lorry drivers consortiums (FIA, CONTIR, FITALOG, CONSAP), which have pledged to spread the initiative among their associates.

Thanks to the success of the first experimentation phase, Autostrade per l'Italia has decided to temporarily and geographically expand the initiative, also improving the service provided by increasing the number of service areas involved to four, increasing the number of medical services available, including spirometry and electrocardiograph tests, and the range of institutional partners, such as the Italian Red Cross, providing undoubted professionalism and experience in the health sector.

The service areas chosen for the initiative are: Brianza Nord (A4 motorway – Milan), Prenestina Est (A1 motorway – Rome), Secchia Ovest (A1 motorway – Modena) and Bevano Ovest (A14 motorway – Cesena), a strategic choice of allocation, given that it enables the interception of all the heavy vehicle



traffic transiting through the country, which gives the service a national connotation.

Lorry drivers appreciation of this initiative is also shown by the results achieved. From the start of the project (late 2010) to today, over 1,000 free checks have been conducted. These numbers will surely increase with the expansion of the initiative.

autostrade // per l'italia

Autostrade per l'Italia, 100% owned by shareholding Atlantia responsible for investments and strategies in the transport and communications infrastructure and networks sector, is the leading European Concessionaire for motorway toll management and for related transport services with a network of more than 3,100 km in Italy. The company is also present abroad as it holds shares in South America, Poland and United States with a total equivalent to around 900 km of motorway network. The company's mission statement is: "Autostrade per l'Italia is a group of companies made up of people working together to plan, build and develop a motorway network capable of playing its part in the social and economic development of the country, ensuring safety and mobility".

www.autostrade.it



Investing in the 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, the right of a man to his heritage is inseparable from his right to participation in cultural life and constitutes one of the preconditions for smooth sustainable growth and promotion of cultural diversity.

As the leading bank and one of the most significant financial institutions in the country, Banca Intesa considers corporate responsibility an essential element of the process of decision making and daily business practices. Being a member in one of the ten most successful European banking groups, Intesa Sanpaolo, enables us to achieve high business performance by complying with the global standards of corporate responsibility, along with constant care for the local community, the satisfaction of clients and employees and minimum negative impact on 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 in all activities. Our business operations comply with the Ten Principles of the UN Global Compact, the Code of Ethics, the Policy of Not Financing Armament and the Policy of Environmental Protection.

Contributing to sustainable growth

By creating special low-profit loans for unemployed women and individuals who have recently launched their own business, Banca Intesa is seeking to contribute to the combat against poverty and the improvement of the quality of life in

Serbia through a higher level of self-employment. Committed to promote and encourage entrepreneurship in the country, Banca Intesa, in cooperation with daily Blic, has been organising the Blic Entrepreneur best entrepreneur contest for four consecutive years now.

In addition to assisting unemployed individuals, the bank is also sponsoring the School of Friendship and Friendship Card projects, which non-profit organisation Naša Srbija (Our Serbia) is implementing in order to help and protect the youngest. Thanks to the cooperation with Naša Srbija, Banca Intesa had

the opportunity to learn about the long-time existential problems of the big Vitković family and provide a new home for them.

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 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 organisations, thus agreeing to participate in European Union 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 organisational unit of the

“
*Remind the public
of the value and
importance of cultural
and historical heritage*
”

bank, as well as 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. 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 organises 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 has started the construction of a new administrative building, in accordance with the latest global environmental standards. Apart from office space, the new building will also include a kindergarten for children of the bank's employees as well as a medical and spa centre.

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 of Environmental Protection, the bank seeks to raise the awareness among all stakeholders about existing trends in the field of 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 Slovenes and the Ottomans have been coming and going, and often fighting, on our territory. Each of these anthropological units has left a characteristic mark, testimonies of the times when they lived, 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 cultural and historical heritage, Banca Intesa has organised a unique corporate responsibility project under the name „The Place I Love“. This initiative is designed as the first national list of localities of special sentimental value for Serbian citizens,

which will be followed by the reconstruction of at least three facilities or ambient units which win in the associated open competition. This project is implemented with the support of the Ministry of Culture, with the help of non-profit organisation Europa Nostra Serbia, the Republic Institute for the Protection of Cultural Monuments and the media partnership of Radio Television Serbia and the Blic daily.

Due to the extreme complexity of the project, it has been decided to implement „The Place I Love“ in three stages: the stage of nomination of localities, the stage of voting for one of the ten most relevant proposals according to the selection of an expert jury and the stage of reconstruction of at least 3 „places“, which win the most votes.

Respecting ethnic, age, gender and religious differences, Banca Intesa has enabled all interested citizens to join the process of nomination of localities for reconstruction, and in order to make this process accessible to the general public, it has created a special purpose 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 branch offices. Fans of the more classic communication channels can submit their proposals via Banca Intesa's call centre, by following the instructions on the IVR.



Since its first business operations in Serbia, Banca Intesa Beograd has been continuously developing the best possible financial solutions for over 1.5 million clients, listening carefully to their needs and capacities. Every day a professional team of 3,000 employees is offering the most adequate set of products and services to large corporations, small and medium-sized enterprises, private entities, local self-governments and non-profit organisations, through a unique combination of know-how and innovative ideas, which has led us to the leading position in the Serbian banking sector. 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 daily basis, which are contributing to the overall economic development in Serbia.

www.bancaintesa.rs



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 by unique competitive advantages and highly effective business model, which made it 1st 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, the company decided to purchase timber which comes with a certificate (e.g. FSC) many years ago. 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 accounts 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 used to be costs, now they 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

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

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 local community, i.e. to attract local community citizens to use biofuel, to change old and dirty coal based household's 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 called "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 since 2000, so for more than 10 years. Barlinek Customers' Forest has nearly 8.000.000 trees. One tree absorbs approximately 750 kg CO₂ during its whole life, which means 6.000.000.000 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 a 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 (Krzysz 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-years-old¹, tree in Poland, which is located next to the Kielce city, where company's Head-

quarters are. Financial support of the company enabled the installation of special construction to support the tree's branches a few years ago. Construction 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. New almost 50 young birds have returned to the nature. The population of these unique predators is increasing now and we can observe them gliding on the sky.

This is the story of the company which is inextricably connected with the forest, but it does not mean exploiting those unique resources of nature. It means partnership and management with care. Natural resources are more than replaced, company is more than increasing brand image. It is growing successfully.



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 9,1 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. It is listed on the RESPECT Index of sustainable companies for as long as the index exists at the Warsaw Stock Exchange. It was awarded by Forbes magazine as a "Leader of Sustainability" in 2011.

www.barlinek.com.pl

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.

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 lead-

ing to blindness and are suffering from weakened immunity against infectious diseases, leading to higher mortality rates, especially 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

“*BASF Food-Fortification is a flagship corporate social responsibility initiative that allows BASF to address a humanitarian challenge with a sustainable business model*”

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, 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 110.000 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 ≈ 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 agricultural products to oil and gas. As a reliable partner BASF creates chemistry to help its customers in virtually all industries to be more successful. With its high-value products and intelligent solutions, BASF plays an important role in finding answers to global challenges such as climate protection, energy efficiency, nutrition and mobility. BASF posted sales of more than euro 63.9 billion in 2010 and had approximately 109,000 employees as of the end of the year. BASF is a founding member of UN Global Compact and Global Compact LEAD.

www.basf.it



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

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

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, 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 criteria 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.com



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



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

“

*New concepts for
sustainable mobility*

”

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 to 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 multi-mode 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

A group of children are on a stage, holding various traffic signs. One child holds a blue sign with a white 'P' for parking. Another holds a blue sign with a white bicycle symbol. A child in the foreground holds a red octagonal sign with a white border and a red center. Other children hold yellow triangular warning signs, one with a black lightning bolt. In the background, there are more signs, including a blue pedestrian crossing sign and a yellow sign with a black silhouette of a person. A banner in the background reads 'www.DomofoniCE.pl' and 'DOM FON'.

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.

“*The company is really engaged in keeping positive relationships with a community whose life may be disrupted by the construction work*”

Taking up activities exceeding legal and contractual demands is the real measure of true business responsibility. At the construction 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.

Construction building, 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 the 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 ecologic 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



Carrefour's commitment towards Zero Deforestation

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

Roger Leguen WWF-Canon

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.

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

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 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.



Carrefour

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



Water Stewardship at Coca-Cola HBC Greece

by **Vassilios Lolas**,
Public Affairs and Corporate Communication Director
Coca-Cola HBC Greece



Τα λόγια δεν ξεδιψάνε...
οι πράξεις ναι!

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

“ *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* ”

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. Furthermore we have conducted educational seminars to 91 local technical workers, to ensure proper maintenance of the RWH systems but also, to draw on traditional know-how 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.

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.

In addition at the beginning of 2010, in order to sensitize young people about the importance of water and inform them about proper water use, the program conducted a comic strip competition for young designers. The competition gave us the opportunity to communicate "Mission Water" messages in a more artistic and interesting way and at the same time offer a great opportunity to young people, especially Art students, to gain valuable working experience. Furthermore the program for the first time in 2011, in order to further enhance its efforts to inform the general public about proper water use, developed a viral campaign with well-known Greek celebrities.

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 42 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 8 production Plants in Greece, which include overall 31 production lines and offers job positions and career development opportunities to 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 10 million Greek consumers.
www.coca-colahellenic.gr



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



Fund for the future

by **Nadica Milanovic**,
Project Manager
Delta Foundation

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 year 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 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 which did not come from homes which participated 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.

Contest and selection

Program starts with contest in homes and with forming of the committee whose task is forming of groups in accordance to the arrived applications.

Contest takes place in September, and starts with presentation of the Program. Children apply for the program by filling the questionnaire with their general information and literary work on one of the themes: "I would change...", "I remember..." or "I love..."

Members of Committee consisting of Foundation representatives, mentors from homes, psychologist and pedagogues, assess the applications and fulfill the evaluation forms, and decide if the candidate meets the criteria for taking role in the program.

Criteria for candidate to take role in the program is:

- Live in home for children without parental care;
- Attend High school at least year prior to completion of the program;
- Has at least satisfying success at school;
- Regularly attends the classes;
- Is an exemplary student

The most of foundations award, give scholarships and stimulate young people who achieved great results in education, sports, arts, etc. Bearing in mind the fact that every child's effort should be awarded and stimulated, Fund for the future supports children placed

“
*Basic principle of the
Program is orientation
towards the future*
”

at homes to develop their abilities and find out what they are good at, in order to find a job and become independent individuals after leaving the home.

Two-year period of monthly scholarships and education

Two-year program business training also includes monthly scholarships.

Scholars can progress or regress in the program, thus changing the level of scholarship accordingly, including the possibility to lose the right to participate the program.

Criteria for development through the program:

1. Educational success;
2. Regular class attendance;
3. General behavior;
4. Respect of program principles.

At the end of each school year, the scholars who have achieved best results (at school, during training, and showed other kind of progress) are awarded with special rewards.

School council, as the top advisory body is consisted of: program coordinators, mentors, trainers who carry through training program at homes, Parliament representatives, Fund for the future representatives and members of the pool of donors.

Parliament is a special body within the program, consisted of all scholars of one home, organized before School council.

The main goal of Program for business and practical training is to develop different business skills and strengthen them for process of employment and work.

During two years, scholars go through the Program of professional training, which is not part of a regular high school program. Program was designed by a team of experts, and the educators who work with children are carefully chosen, so they can pass their knowledge to young people in an interesting way, but also are able to respond their needs to express themselves individually and creatively. Some of the themes are: Choosing the adequate profession, Applying for a job and the first interview, Company rules, protocol and adaptation to the company culture, Concept of creating CV and cover letter, Communication at work place, Conflict management, etc.

Practical training is held at Delta Holding's and pool of donors' premises. Program implies visits to the companies and direct contact with employees, so the scholars can be acquainted with work places they would potentially chose.

At Human resources centre, scholars of the finishing groups pass initial tests for determination of their affinities that can later affect their business orientation.

Summer camps

Part of training is a summer camp organized at the end of each school year (beginning of July), so the scholars can get known each other better, but primarily to covert the topics learned through the educative workshops of business training.

Summer camp has an educational/recreational character, and consists also of excursions that include visits to the cultural/historical sites in the region where the camp is organized.

Up to date the camps have been organized in Bulgaria, Greece, Vrnjacka Banja natural spa and Mt. Zlatibor.

Certificates

At the end of every school year the awarding of Certificates is organized for scholars who have successfully completed business training program. Certificates should help the scholars to find a job, since they don't have practical work experience and such a form of Letter of Recommendation in their biographies could be of help to them.

Employment

After completed high school education, scholars get a job in accordance to their affinities. Procedure of employment, as the last step of Program, means that scholars who have fulfilled conditions determine by program, (completed school, business training, showed appropriate behavior) can apply for a job. Possibility of employment is offered by Delta Holding, companies from the pool of donors as well as as friends of the Fund.

FICE Congress

At the initiative of FICE (Federation of international educative communities), the Program was presented at the conference held from 7-9th of December, 2010 at the Cape Town - South Africa. At the conference "Celebrating the courage to care in a diverse world", 600 delegates from the whole world who work with children and youth who grow up without their families (institutional and non-institutional care about children and youth) were present. Delta Holding was the only private company invited to participate at the Congress with the Program of professional development of children without parental care, as an example of good practice and cooperation between private sector and state institutions. Presentation and movie of the Fund for the future attracted great attention from congress participants.

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

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 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 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), delivering help (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 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

“ *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* ”

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 Consolidation Centres (UCC). 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 UCC 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, UCC 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 UCC, 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 2011, 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 dis-

tance 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 (NO_x), sulfur oxide (SO_x) and particulate matter. A perfect solution for sustainable cities.

Deutsche Post DHL is testing and operating more than 3,500 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 offer a one-of-a-kind portfolio of logistics (DHL) and communication (Deutsche Post) services. The Group offers its customers easy to use standardized products as well as innovative and tailored solutions – 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. The Group accepts its corporate responsibility, with programs in the areas of environmental protection, disaster management and education. In 2010, Deutsche Post DHL generated revenue of more than 54 billion euros.

www.dp-dhl.com



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.

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

- 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 dung-fills 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 better 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 reducing 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 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



Edison's Protection of Biodiversity

by **Francesca Magliulo**,
CSR Manager
Edison

The need to Protect Biodiversity

The importance of "biodiversity" may not be well known or understood, but not a day, hour, or even second goes by without depending on biodiversity for survival.

Extinction is a natural process and more than 95% of all species that have ever been produced by evolution on earth have disappeared in a natural turnover of species composition. However, the rate of natural extinction has so far been matched by the rate of new species production through evolutionary processes. With the industrial revolution, humans have enormously increased their impact on natural resources and biodiversity is currently depleted at rates hundreds of times faster than the natural ones.

The Italian context

Many international, national and local laws, treaties and other normative tools deal with biodiversity taking in account the definition of conservation status and the responses needed to limit further degradation and restore natural conditions. In the framework of the Convention on Biological Diversity (CBD), Italy has recently (2010) developed and formally adopted its own National Strategy for Biodiversity: this includes a long series of strategic goals that will eventually be implemented through the cooperation of the Regional and Provincial governments.

Italy is the European country with the highest richness of biodiversity measured as number of species: it hosts about 57000 animal and 6000 plant species. They are distributed over an exceptional variety of ecological systems and landscapes produced

by a thousand years old history of human interaction with a very complex geography and topography: located at the southernmost tip of Europe and stretched out on a very extended latitudinal gradient, Italy enjoys the natural species richness blessing the regions closer to the tropics.

In the last years, the environmental conditions of most of our peninsula have been deeply affected by the extended social and economic changes that have marked the transition of the country from an agricultural to an industrial and service-based society. The marginal economies based on poor agricultural lands in the mountain and hilly areas have virtually disappeared due to their unsustainable low productivity and the gradual drift of human settlements toward coastal and urban areas. These dynamics have offered extraordinary opportunities for the recovery of large areas, mainly along the Apennines, which are currently in need to be managed toward full restoration of their

ecological integrity. At the same time, the coastal areas of Italy have been under unprecedented pressure from a variety of anthropogenic impacts and have suffered extensive damages through habitat destruction and degradation, sometime to the point of virtual disappearance of any natural element.

“ *Sustainability represents a strategic element of Edison's business model* ”

ecological integrity. At the same time, the coastal areas of Italy have been under unprecedented pressure from a variety of anthropogenic impacts and have suffered extensive damages through habitat destruction and degradation, sometime to the point of virtual disappearance of any natural element.

Edison and sustainable development

Edison, as an electric utility, recognises its great environmental responsibility involving the management and mitigation of environmental impacts and the minimization of effects on climate, while

delivering energy to customers.

Edison is convinced that the promotion of a culture of energy conservation, coupled with special services for customers and the development of an energy system with a low environmental impact, can help contain global warming and provide market growth opportunities. Therefore sustainability represents a strategic element of Edison's business model. The creation of value is based on the ability to pursue economic objectives while at the same time steadily reducing environmental impacts, consistent with a sustainable development approach, thereby meeting the expectations of all stakeholders.

Protection and management of natural resources (which includes biodiversity) are frequently cited as essential requirements for sustainable development. In order to provide a more comprehensive understanding of the footprint of its activities with regards to biodiversity, Edison has identified the need to develop a screening of all facilities to prioritise those with high biodiversity value or potential on a national scale.

Edison considers as a fundamental action verifying the existing biodiversity conditions in the surroundings of its own existing or planned facilities, particularly when the area includes a significant presence of species of conservation interest. Therefore it is essential to establish biodiversity related monitoring programs at the moment of developing business plans to guarantee the complete respect of the environmental characteristics in the areas in which Edison operates.

Edison's biodiversity screening

In 2011, continuing a program started in 2009, Edison developed a method to analyse the sensitivity of its operating sites in terms of biodiversity issues.

The methodological approach implemented for this screening has been based on the analysis of the interactions between each Edison's facility and different variables related with the potential biodiversity. 141 sites have been included in the analysis belonging to different types of facilities (thermo power plants, hydropower plants, wind farms, gas onshore, and photovoltaic plants).

The method used, developed on a national scale, was based on three types of data: use of soil, protected areas and distribution of vertebrate species. These three types of information, taken from official databases and scientific publications, were organized within the framework of a geographic database that included, in addition to these data, the location of its operating sites.

These indicators provided the fundamentals to derive a priority value per each site that lead to a priority list of all Edison's sites. The database thus created was used to develop a ranking of the operating sites, in terms of their sensitivity for biodiversity issues, by applying a three-step process:

- Define two areas of study (1 km and 2 km radius) and analyse the three types of data collected in each area;

- Identify, for each area of study and each site, three different key indicators:
 - a) Soil use: type of soil use within a study area and the corresponding percentage;
 - b) Vertebrate species: identify the species that exist in each study area and develop an overall indicator representing the interest in preserving the vertebrate species, obtained as the sum of the conservation indices of the different species present in the study zone;
 - c) Protected areas: percentage of protected areas within the study area.
- Combine this information into a single biodiversity sensitivity index for each site.

A summary data sheet that provides a description of the results of the analyses and lists the indicator data, useful for developing a ranking of operating sites, was prepared for each site, valued based on the abovementioned biodiversity indicators. This project represents another step forward in the process of achieving awareness of the impact that the Group's activities could have on the territory and constitutes a milestone in the development of a Preliminary Corporate Biodiversity Action Plan. The Action Plan that will be developed in 2011-2012, will include the definition of clear and realistic objectives to manage and protect biodiversity.



Founded in 1884, Edison is today, one of the most important Italian operators in the procurement, production and marketing of electric power, natural gas and crude oil. In the electric power business, Edison is the second largest power producer. It has a fleet of highly efficient facilities with a diversified production mix ranging from combined cycle gas turbine plants to hydroelectric, wind, solar and biomass.

In the hydrocarbons business, Edison is the second largest Italian operator supplying 19.0% of national gas demand. The Company has extensive E&P of hydrocarbons activities in the Middle East and Africa and is committed to develop European gas import infrastructures.

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 Ducroire" (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 reduc-

“
The challenge for the group is to detach economic growth from environmental impact and create added value for the sector
”

* As of August 2011.

ing and compensating CO₂ in the supply chain. In September 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 Et 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

Improving Access to Energy: eni's Flaring Down Actions

by **Sabina Ratti**,
Sustainability Vice-President
eni

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 1.4 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 172 and 110 thousand barrels of oil per day, respectively 50% and 62% 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

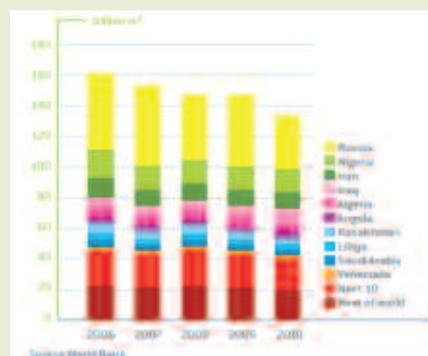
worsened by the practice of gas flaring, consisting, due to a lack of suitable infrastructures, in burning the gas associated with oil production, with significant negative impacts on both the local and the global environment.

eni has reduced flaring by over 30% in the last three years, and is investing in new energy infrastructures in order to bring this figure up to 80% by 2014. 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

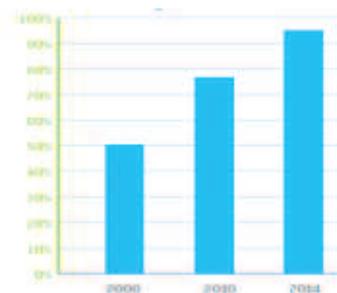
Gas flaring worldwide

In 2010 about 134 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 37 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.



other energy companies.

eni has implemented major electricity generation projects in 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, 142nd and 183rd in the world.

In Nigeria only 47% of the population, about 155 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. 40% of the work has so far been completed. 16 electrification projects were implemented in the Rivers, Bayelsa and Delta states in 2010, 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 oil-field 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 137 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. 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



An example of stakeholder dialog in Stolipinovo

by **Kalina Trifonova**,
Member of the Management Board EVN Bulgaria
EVN AG

Stolipinovo is a district of the Bulgarian city of Plovdiv that was associated with alienation, poverty, crime and desolation. The conditions in this district, which is one of the largest Roma settlements in Southeastern Europe, were long considered to be an unresolvable social problem. Stolipinovo's lack of infrastructure caused massive problems with providing electricity and clean water, as well as with sewage and waste disposal. After unpaid bills accumulated into the millions, the local power utility cut off electricity to the entire district in 2002 and was switching it on only in the night.

When EVN took over the power grid in Plovdiv as the new majority shareholder in 2005, the company was confronted with serious problems: a completely out-dated electrical system in the Roma district, virtually zero payment discipline and millions in arrears. As the power grid could only be shut down in entire sectors, such shut-downs also affected paying customers. This quickly led to demonstrations, and growing anger among the population.

Although this was a major challenge for EVN, it turned into an international success story once the company drew up a comprehensive offer in close cooperation with authorities, Roma representatives and NGOs like the Open Society Institute. By

“

By combining an on going dialog with the affected population, technical advances and targeted investments, EVN was able to find a solution that was satisfactory for all stakeholders and break the cycle of poverty

”

combining an on going dialog with the affected population, technical advances (state-of-the-art metering technology) and targeted investments, EVN was able to find a solution that was satisfactory for all stakeholders and break the cycle of poverty. EVN idea was to unite all the interested parties to achieve results in a joint effort in Stolipinovo.

The Company contacted the other utility companies in the area who were facing similar challenges, including the water supply company and the company providing street lighting. It also invited the City Hall and the Roma community, in the form of their leaders.

Next on EVN Bulgaria's agenda was to make all parties agree to a declaration that they wanted Stolipinovo to achieve a normalised status. The company realised that the Roma's unwillingness to pay was largely based on their distrust of charging methods – yet another legacy EVN

Bulgaria had to face. "We pledged to invest in the area so that subscribers could have their own meters to track their electricity consumption. Parallel to this we organised meetings with local community leaders. We held several meetings because different areas have different leaders whom people trust" Kalina Trifonova, a member of the Management Board of EVN Bulgaria said.



These meetings were a way for both parties to get to know each other and learn mutual trust. For Szyskowitz, who took part in the process, they provided an encouraging portent. At this early stage of the plan it was all about sending the right signals. One such signal was EVN Bulgaria's decision to lower the height of the meters, previously so high above the streets that they were inaccessible to subscribers. By bringing down the meters EVN showed people the Company trusted them. Since then there were only two attempts to break into meters in Stolipinovo. As part of the project, EVN Bulgaria organised a demonstration, together with the State Agency for Metrological and Technical Surveillance, to show how the meters worked.

A total of 187 kilometres of electrical grid were modernized, 17 transformer stations were refitted and 6,400 power meters that can be read remotely by means of a wireless connection were installed. In addition, Roma families were offered advisory courses to show them how to set up a household budget. These measures earned EVN increasing trust among the population. As a result of the project, the payment rate for electricity customers increased from 3% to over 85%, while the network-related losses were cut from 40% to 5%. Now, EVN is seen throughout the region not only as a reliable electricity provider,

but also as a responsible employer.

Kalina Trifonova, explained the key to the success of the project: "The first thing we had to do was build up trust on both sides. Where we once had a relationship dominated by prejudices, we now have a solid foundation of mutual respect. Customers who are treated fairly pay their bills on time, which in turn helps to improve supply security."

EVN won the TRIGOS 2010 in the category of Society for its Stolipinovo – Successful Stakeholder Dialog project. An intense exchange with the local Roma population and the involvement of local NGOs enabled the company to refurbish the local infrastructure, cut energy consumption and improve payment discipline, said the jury. The jury was also impressed with the measurable results that EVN was able to achieve by integrating CSR into its core business activities.

EVN

EVN AG is a leading, international listed energy and environmental services company, with headquarters in Lower Austria, the country's largest federal province. On the basis of a state-of-the-art infrastructure, EVN offers its customers electricity, gas, heat, water, waste incineration and related services from a single supplier. With the portfolio of services, EVN safeguards and improves the quality of life of more than three million customers in 20 countries. In addition to its role in Austria, EVN has succeeded in establishing a positioning in the energy industry in Bulgaria and Macedonia. In the environmental services area it successfully operates in the fields of water supply, wastewater treatment and waste incineration through shareholdings.

www.evn.at



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.

“
Implement volunteer activities aimed at improving the quality of life in local communities
”

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, Obodska 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.

For its volunteering activities in the field of environmental protection and improvement, in 2011 Erste Bank received the Green Leaf award, awarded for the 27th time already to companies and institutions for the best environmental projects. 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

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.

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.

“ *European front runner in substituting coal by biomass* ”

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 im-

pacts: 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



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 ex-

perience 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.

“
Really focus attention on problems of persons with disabilities and make concrete steps in resolving those problems
”

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.

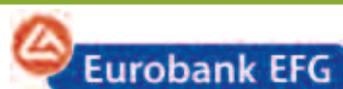
The Moving Inclusive Museum set off on a journey from Belgrade in May 2010, as the first such project in the region. It was officially opened in the Exhibition Hall of the National Bank of Serbia in Belgrade on May 07, 2010, when Mr. Nebojša Bradić, the Minister of Culture in the Government of the Republic 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” for access to sustainable energy for all

by **Francoise Guichard**,
Sustainable Development Senior Vice-President
GDF SUEZ

Background

A call to *eradicate extreme poverty and hunger* by the year 2015 is among the seven Millennium Development Goals (MDG) adopted by the United Nations in 2000.

Eleven years later, with energy and basic services key factors in the eradication of poverty, this challenge, though well known and appreciated by all, remains intractable.

In 2011, 1.4 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 individuals 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 individuals 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 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. Still, 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 programs.

As Michael Porter points out in his article “Creating Shared Value,” a new approach is to place the societal dimension at the core of business of tomorrow. In this context, businesses in general and in particular large companies that provide basic services can play a new role, on the condition 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’Energies

With its presence in 70 countries, a network of over 220,000 employees and 2010 revenues of euro 84 billion, the Group intends to respond to energy needs, ensure the security of supply, combat climate change, and optimize the use of resources. GDF SUEZ thus proposes highly efficient, innovative solutions for individuals, 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, energy efficiency services, independent power production, and environmental services.

While 20% of the world's population lacks access to electricity and more than one in four people is facing fuel poverty in Europe, access to energy, a key factor for economic development and social, 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 programs, they remain limited and generally deal only with consumer goods.

As a member of the Global Compact, GDF SUEZ Group, seeks to support of the major objectives of the United Nations, including the Millennium Development Goals for combating poverty and support socio-economical development.

Launched in early 2011, the programme "GDF SUEZ Rassembleurs d'Énergie" embodies the commitment of the GDF SUEZ Group for access to energy for poor people and reducing fuel poverty by supporting projects with high social impact and projects to promote access to renewable energy sources and reducing fuel poverty.

The "GDF SUEZ-Rassembleurs d'Énergies" programme is a project of global dimension consolidating concrete GDF SUEZ Group measures in favor of access for the poorest populations to energy and essential services and the reduction of energy poverty in countries where the Group is present or plans to be.

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 create a joint **investment fund**, one of the first of the energy sector to date, the Group seeks to contribute to the development of **social entrepreneurship** and support projects sustainable, profitable and replicable;
- 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 program. 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, became the first utility worldwide since its merger with International Power.

KEY FIGURES at June 30, 2011

- 219,00 employees in nearly 70 countries (of which 62,400 in electricity and natural gas and 156,700 in services)
- euro 84.5 billion in 2010 revenues
- euro 11 billion in investments annually for the period 2011-2013

- More than 1,100 researchers and 9 R&D centers

Electricity

- No. 1 independent power producer in the world
- 114.5 GW of installed production capacity
- 18.4% of capacity production from renewable or recycled energy sources

Natural gas and LNG

- No. 1 buyer of natural gas and importer of liquefied natural gas in Europe
- No. 1 network for transporting and distributing natural gas in Europe
- A supply portfolio of more than 1,200 TWh at the end of 2010
- A fleet of 17 LNG vessels, including two regasification vessels

Energy services

- No. 1 supplier to cities and businesses across Europe

Environment

- No. 2 supplier of environmental services in the world

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.



GDF SUEZ develops its businesses around a model based on responsible growth to confront the great energy and environmental challenges: meeting energy needs, insuring the security

of supply, fighting against climate change, and optimizing the use of resources.

The Group provides highly efficient and innovative solutions to individuals, cities and businesses by relying on diversified gas supply sources, flexible and low CO2 emission electricity production, and unique expertise in four key sectors: liquefied natural gas, energy efficiency services, independent electricity production and environmental services.

GDF SUEZ has 219,100 employees worldwide and 2010 revenues of euro 84.5 Billion. Listed in Brussels, Luxembourg and Paris, the Group is represented in the leading international indexes: 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



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 Immobiliare, 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.

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.

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 wherever 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)
- Well-being: assessment of hydrothermal comfort, visual comfort, olfactory comfort,

acoustic comfort, ensure the sanitary quality of spaces, air and water

- 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.

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

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" as 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, well-being, and transport and compares it to a panel of existing buildings. As at 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 over a 12 month period, after which the buildings will be reassessed 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 2010 total premium income of more than 73 billion euros. It is also one of the world's top asset managers with assets totaling more than 400 billion euros, and a unique real estate operator with a property portfolio of more than 24 billion euros. With 85,000 employees worldwide and 70 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



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

“Grundfos uses core competences to make a difference”

reliable and sustainable water supply for many years.

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 de-

velopment, 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.



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



Project Malawi celebrates its 6th birthday

by **Valter Serrentino**,
CSR Manager
Intesa Sanpaolo

This declaration was made by Mr. Corrado Passera - Intesa Sanpaolo's Managing Director and CEO - while receiving the Award for Business Excellence on HIV/AIDS in the Community by the Global Business Coalition - GBC in 2008 for Project Malawi.

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 163rd 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: 12% of the population between 15 and 49 years 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 70,000 deaths every year, HIV/AIDS is the first killer in the country, generating half of the 1 million orphans in the country.

6 years ago, Intesa Sanpaolo decided to support the Government

of Malawi in its fight against HIV/AIDS by taking involvement 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

“*Sharing the future of Africa has been our starting point. Sharing the commitments of the international community against AIDS and poverty is one of the building blocks of our Corporate Social Responsibility*”

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 construction 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 orphan and vulnerable children), Magga - Malawi Girl 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 the 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 were 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 co-ordination 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 health-care 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. Seven maternity wards have been connected with the above centres; three of them have been renovated and equipped. Over 15,000 patients started antiretroviral therapy, more than 4,000 HIV-positive pregnant women have been referred to the vertical prevention programme and about 3,300 children were born healthy through the use of tri-therapy. Since the project started, more than 300,000 medical visits and 155,000 laboratory tests have been carried out. 700 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 42 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; every week they host an average of 6,300

children. More than 2,700 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. Almost 1,900 adults and chronically ill children and their families have received home care by volunteers of the communities involved.

In the field of local development, 3 Business Information and Offices Centres have been opened in each project area where SMEs can find consultancy services and can apply for training and refresher courses. More than 300 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. 76 income-generating activities have been set up in rural areas, involving about 1,800 families and 72 groups of informal savings and credit have been established, with almost 1,300 direct beneficiaries.

Girl Guides and Scout units are active in 158 schools of the communities involved and over 25,000 young people take part in activities raising awareness on the risks of HIV/AIDS transmission and in sex education. Over 2,000 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



Italcementi Group Health at work

by **Stefano Gardi**,
Sustainable Development Director
Italcementi

Following a period of re-organization and integration that culminates in the adoption of a single corporate identity for all Group subsidiaries, the newly-born Italcementi Group began to diversify geographically through a series of acquisitions in emerging countries such as Bulgaria, Morocco, Kazakhstan, Thailand and India, as well as operating in North America. As part of the plan to further enhance its presence in the Mediterranean area, in 2005 the Group boosted its investments in Egypt becoming the market leader.

In 2006 Italcementi acquired full control of the activities in India and signed an agreement to strengthen its position in Kazakhstan while, in 2007, it further strengthened its presence in Asia and the Middle East through the operations in China, Kuwait, Saudi Arabia. At the beginning of 2011 sold the Turkish subsidiary Set Group to Limak Holding.

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

“
*Promoting the health
and enhancing
the wellbeing of workers
is as vital as protecting
their safety*
”

Yearbook, the most comprehensive publication on corporate sustainability released yearly by SAM (Sustainable Asset Management) and awarded with the SAM Silver Class. Moreover it is the only company on the construction materials sector listed in the FTSE ECPI Italia SRI Leaders index.

Through the activities of its Research and Innovation centres in Italy and in France, the most advanced in Europe, the Group intends to anticipate market trends and requirements giving priority to environmental issues and the optimization of resources.

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 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.

Building on a knowledge base already started back in the seventies in Italy, 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 newly established 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 close to 60% at mid 2011 thanks to relevant campaign recently performed in India and Morocco. 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 70% of employees exposed to dust, silica, noise and vibration by 2012.

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.

In line with the Group Health policy, the Group is continuing on many other initiatives. As an example, having formally banned the purchase, supply and use of any type of asbestos or any asbestos-containing products even in countries where it is still legal, the Group is progressively checking, managing and properly dismissing existing asbestos-cement sheeting, roofing and other items, still in good status of conservation, currently installed in the Group sites. Management and dismissal operations are performed ensuring the highest practicable health and safety practices. The ban will be extended in the future to other dangerous materials at production sites.



*With an annual production capacity of approximately 75 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. The Group's companies combine the expertise, knowhow and cultures of 22 countries in 4 Continents boasting an industrial network of 59 cement plants, 11 grinding centres, 5 terminals, 350 concrete batching units and 90 aggregates quarries. In 2010 the Group had sales amounting to about 4.8 billion Euro. Italcementi, founded in 1864, achieved important international status with the take-over of Ciments Français in 1992.*

www.italcementi.it

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 288 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 engagement, 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 international organisations and NGOs (non-governmental organi-

“
It is our responsibility to enhance long-term value. However, we are not indifferent as to how we achieve this goal
”

sations) 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.

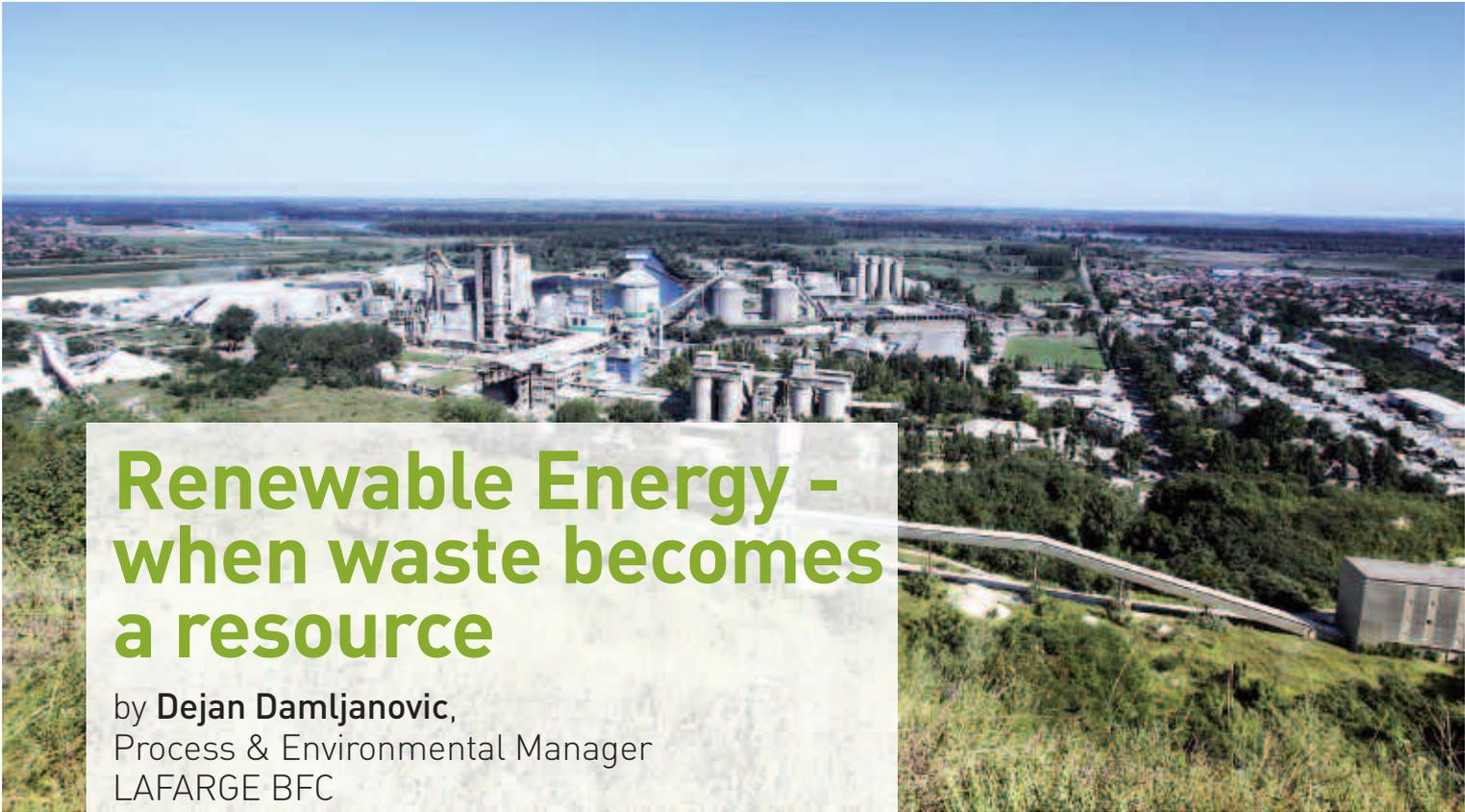
KLP has been in dialogue with the company about the incident and the company's corporate responsibility – with particular focus on corruption risk and anti-corruption work. The company has taken actions with regard to its challenges and is now working systematically with its corporate responsibility 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 one of Norway's largest life insurance companies with total assets of 271.7 billion NOK at the end of 2010. 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. More than one in eight Norwegians have their pensions with KLP. 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



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 re-thinking 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



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 purchasing 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.

“ *No responsible development without responsible purchasing* ”

“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 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.

An invitation for tenders for 50 000 electric vehicles (among which 10 000 for La Poste) has been launched and should get answers by the end of 2011.

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

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 Fair-trade/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.

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 15% 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

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.

“ *The human and professional potential of the company has been channeled for the human and social development of the communities* ”

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:

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



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:

“ *An integrated approach has helped us to treat sustainability as a source of business opportunities* ”

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. 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 9,724 million in 2010 and 5,400+ 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 2010, the worldwide application of our products cut customers' CO₂ emissions by around 40 million tons.

www.novozymes.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.

“ *OVERGAS: our commitment has established solid roots, turning environmental care into one of our core values* ”

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.

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



“Two sectors - one vision” coaching for social leaders

by **Elżbieta Żórawska**,
PwC Poland Foundation Coordinator

When a company seeks areas for its social responsibility it has to consider where it can make the relatively biggest positive impact. It has to think over its resources and competences. It has to look for the spheres where these assets may leverage social development. When it comes to the company's business based on knowledge as it is in PwC these findings led to strategic support of non-governmental sector in Poland.

According to many researches non-governmental organizations often meet barriers in getting an access to professional knowledge and opportunities to learn. Therefore private sector can play an important role in increasing the effectiveness of the third sector by supporting its development by sharing knowledge. Due to that fact PwC Poland developed Pro Bono Programme under which services are free of charge or for a nominal fee. These are provided by employees during working hours. By combining knowledge of the local market and wide international experience, specialists are able to provide non-governmental organizations with their expertise in assurance, accountancy and tax advisory. Each employee may devote up to 3 hours per month on activities for non-governmental organizations. Since the launch of the programme in 2008 over 100 employees spent over 3500 hours on pro bono work. They are already undertaken over 30 Pro Bono projects.

One of the innovative projects developed within Pro Bono Pro-

gramme is a coaching programme for social leaders runned by PwC Poland Foundation together with Association “School for Leaders”. This programme resulted from the long-term cooperation between the company and the organization. Due to the fact that leadership development in the private sector is nothing new with many companies having internal leadership development programmes to develop their talents. While comparatively, developing the leaders in the third sector have lagged behind for a different types of reasons such as less recognition of staff development, misconceptions that all charitable income should be spent on front – line services and lack of financial resources. This situation has resulted in third sector leadership development appearing lower on the priority list than in the private sector. Therefore the impact on NGOs leaders, their staff, organizations and the communities they serve means that this is one of the most effective and sustainable ways of supporting the third sector. Because in PwC everyone is actively supported and encouraged to reach their potential through coaching and personalised development at every level, we developed this coaching programme for social leaders which aimed at:

“*Our CR efforts are linked with our actions and behaviours connected to the goal of creating a “PwC Experience” culture for our external and internal stakeholders*”

- supporting selected leaders of non-governmental organisations (NGO) 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 the position of PwC as a socially responsible company,
- showing the market new ways of practicing corporate responsibility.

The main target group of the programme is leaders of non-governmental organizations who have attended the "School for Leaders" or are recruited from the market. Leaders of NGOs participating in the project must have vast experience in leading social change, managing a team of activists and have a vision of their activities. According to the needs assessment prepared by the School for Leaders Association, leaders of non-governmental organizations need support in the following areas:

- Setting the strategy to achieve the goals of the organisation
- Management of processes and people within the organization
- Professionalization of NGOs operations
- Improving the effectiveness of the NGO

Internally the programme is directed to senior managers, directors and partners of PwC – professional staff with coaching skills and vast experience in business sector. In the first edition of the programme there were seven pairs (PwC coach – coachee). During the whole cycle participants spend around 100 hours on 6 coaching sessions. After each two coaching sessions coaches had a supervision session, while coachees was provided with professional trainings on management and cooperation with business.

The project is an example of collaborative learning which shows the importance of business and third sector leaders both recognising their differences and appreciating the parallels across the two sectors. The programme shows that businesses can work with non-governmental organisations on initiatives that deliver mutual benefits. The best recognition to the programme show participants' statements.

As one of the coach – Director of Marketing, Communication and Business Development in PwC said : *"You can see that these people from non-governmental organizations achieve great things. Usually there are the situations when other people would have said that it cannot be done. But it's done just because those people are strongly committed to the case and they are influencing others with their passion. And this is a good lesson for all managers."*

Risk Management Director in PwC : *"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, that's for sure we had more chances to use different theories and methods in practice and it's nice to share such experience"*.

As well as statements from coachees – President of Association "Good will" said: *"Someone who has never worked in business and*

represents NGO will not understand the conditions which face entrepreneur and the entrepreneur will never understand the motivations of 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 state where we will be able to unite 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 a completely other worlds, in a 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."*

Regarding very positive feedback from both coaches and coachees the programme will be developed and is going to be implemented on the larger scale. Because making leadership development a part of CSR (*corporate social responsibility*) programme, is an opportunity to have an significant impact on the third sector and on the communities within which leaders work. This type of programme represents the core of corporate social responsibility and gives better understanding of businesses' wider role in society.

Our CR efforts are linked with our actions and behaviours connected to the goal of creating a "PwC Experience" culture for our external and internal stakeholders. In this way, our CR activities and the PwC Experience reinforcing each other. By developing our people as responsible and better leaders, having 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.



PricewaterhouseCoopers (PwC) is one of the world's biggest professional services organisations. As professional advisers we help our clients solve complex business problems and aim to enhance their ability to build value, manage risk and improve performance. 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 organisation, 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 above 1500 specialists and support staff in six cities: in 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 worldwide.

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 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

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 a co-operative bank, Rabobank is pleased to share its knowledge and experience with clients and relevant stakeholders
”

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 I 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



Renfe's HST: High Sustainability Trains

by **Santos Núñez del Campo**,
Sustainability Environmental 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 en-

ergy 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 equivalents 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.

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

“ *Maintaining and increasing in the future our strategic advantages as the most sustainable company in the Spanish transport sector* ”

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 2012.

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 measure has been tested with success, to other services such as 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 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, 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



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 inte-

grated element of the company's sustainability strategy and MS;

- Fair, transparent, and open stakeholder engagement and information disclosure; unique three-level engagement mechanism;
- 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.

“
No operational or technological decision is made without adequate environmental, health, and social assessments

”

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 fur-

ther 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 Sakhalinians, 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.

“
For Salini combining corporate values with ethical and sustainability principles is a core element of its business model
”

Job creation plays an important role in enhancing capabilities of developing countries, not only by stimulating the local economy 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 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

experiences 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 launch 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 Botín 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



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 log-

ical 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

“
*Bringing institutions,
schools and the world of
associations together to
build environmental
awareness*”

”

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

IT'S ABOUT: VISION CREATIVITY INNOVATION BUSINESS DEVELOPMENT CULTURE

2011 Trend: 'Cherry Blossom Law' Initiatives

by **Michela Cocchi**,
CEO
and **Daniela Nastasia**,
Lawyer Associate
Avvocato Michela Cocchi - Studio Legale

EDUCATION
WOMEN
ENVIRONMENT
CONFIDENCE
INTEGRITY
REPUTATION

What does 'Cherry Blossom Law' mean? It is an expression we coin to refer to our initiatives devoted to Cultural and Creative Industries (CCIs) and, specifically, to those sectors of theirs that are also specifically targeted at women.

The best way to predict the future is to create it yourself.

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 sector.

Fashion system brings many benefits to everyday lives across the globe. Fashion goes beyond simple clothing to express identity, create wellbeing, embrace creativity and connect global communities. But like all industries there is a negative side, characterised at its worst by factories exploiting workers, generating throwaway fashion, wasting resources and encouraging unsustainable consumption. The fashion industry, facing a period of radically transformation, an era of rapid and wholesale changes in its structure, can play a vital role in delivering sustainable development. Not only does it create jobs and contribute to the economy, it also has a huge influence over society and the economy through its marketing, regular customer transactions and complex, globalised supply chains.

“ *Respect human rights, which in essence means to manage the risk of damaging human rights with a view to avoiding it* ”

Nations are reexamining the relationship between law and fashion, within which IP (Intellectual Property) and Gender parity 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.

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 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-bystep path:

I - Getting Started

II - Strategy

III - Policy

IV - Processes & Procedures

V - Communications

VI - Training

VII - Measuring Impact & Auditing

VIII - Reporting

The questions and issues we have explored include:

- What is the business case for adopting a proactive approach in

dealing with UNGC Principles?

- How can companies formulate comprehensive UNGC Principles policies, and what are the benefits of doing so?
- What are the boundaries of a company's UNGC Principles responsibilities?
- What are the success factors for integration of UNGC Principles into business practices?
- What methodologies are available to decide if and how operating in a country with weak governance and/or serious UNGC Principles concerns?
- What are the risks, challenges and opportunities in engaging in multi-stakeholder dialogue?
- What are examples of strategies for more effectively tackling UNGC Principles issues in the supply chain?

The present features and challenges of fashion system force fashion community at large to consider the development of consistent vision and purpose based on a set of shared beliefs.

In this respect, as lawyers, we embrace, support and enact, within our sphere of influence, the UNGC set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

- we support and respect the protection of internationally proclaimed human rights, making sure that we are not complicit in human rights abuses;
- we uphold the freedom of association and the effective recognition of the right to collective bargaining;
- we uphold the elimination of all forms of forced and compulsory labour;
- we uphold the effective abolition of child labour;
- we uphold the elimination of discrimination in respect of employment and occupation;
- we support a precautionary approach to environmental challenges;
- we undertake initiatives to promote greater environmental responsibility;
- we encourage the development and diffusion of environmentally friendly technologies;
- we work against corruption in all its forms, including extortion and bribery.

Among our activities for the fashion sector, due to its peculiarities, we prominently face the structural difficult 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. Focusing upon environmental issues, within our sphere of influence, we have in mind to contribute to an apparel industry that produces no unnecessary environmental harm and has a positive impact on

the people and communities associated with its activities.

We and our clients share in the vision that addressing fashion industry's current social and environmental challenges are both a business imperative and an opportunity.

This opportunity asks for a multi-stakeholder engagement, through a common approach for measuring and evaluating fashion product sustainability performance and, in particular, improvements in energy, waste, water, and toxics in fashion's supply chain.

Bringing together some of the most prominent fashion industry voices with leading experts, pioneering entrepreneurs, and NGOs, we are exploring the future perspectives for sustainable sourcing for the fashion sector.

As demand for sustainable production by fashion brands and retailers grows, two trends have become evident in the supply sector:

- Small scale co-operatives and community production units built on fair trade principles are scaling up, increasing production capacity, investing in skills training in order to cater for a more mainstream market with high quality products, and filling a gap between small scale, artisanal fair trade production and mass manufacture.
- Suppliers built on sustainable principles, and designed from the outset to cater for the mainstream, are going global – and diversifying in terms of both product capacity and production location

Our State of the Art: How far has fashion industry really progressed in relation to sourcing sustainably? What opportunities are there for collaboration amongst retailers, brands and suppliers, to increase the sustainability achievements of the industry as a whole? What will it take for the industry as a whole to radically reduce its environmental impact, eradicate exploitation and labour malpractice, and maximize its positive impact for poverty reduction and sustainable livelihood creation?

Stay connected.



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.



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 ICT services called Smart Services, aimed at responding in a comprehensive way to the needs that are considered central to the health

“ *A central role to play in supporting the Italian public sector on its journey towards modernization and innovation* ”

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:** for 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 ECONomic 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 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 and the biodiversity

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 care-

“ *Terna manages its impacts on biodiversity with a series of integrated instruments* ”

fully 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-voltage 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



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 built 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

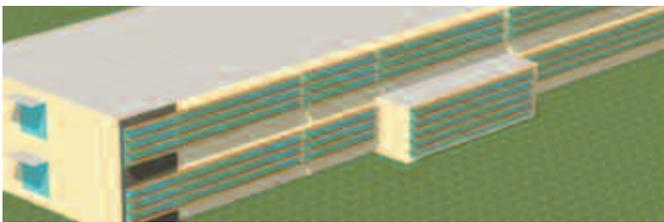
takes into account the solar gains (for instance if surrounding buildings block the solar gains of the project).

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.

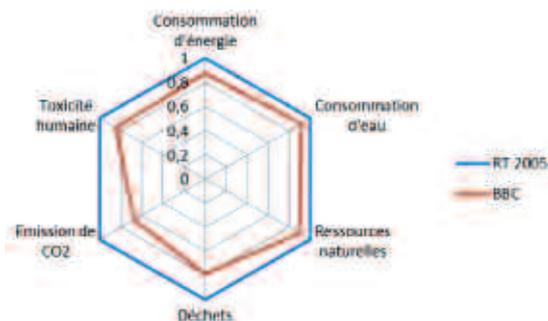


This target was set by the conception team in order to differentiate from competitors and to be chosen by the client.

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

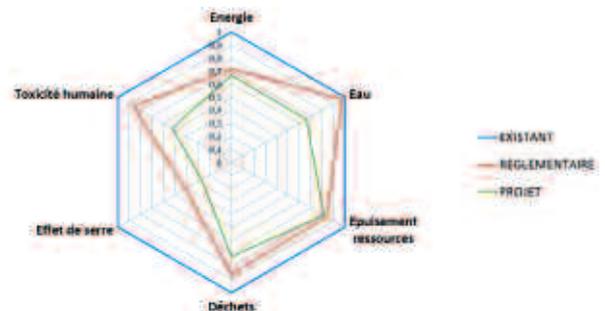
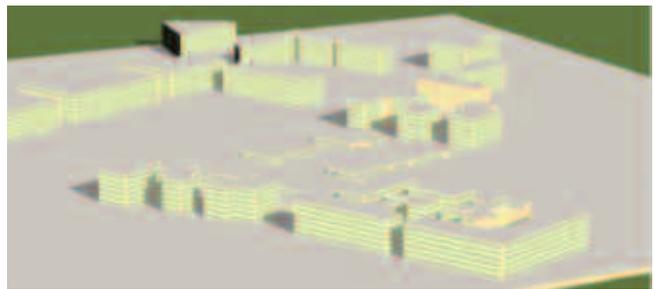
environmental cost or benefits easily and with great influence.

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

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: 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

THIS PUBLICATION IS KINDLY SUPPORTED BY:



EDITED BY

Global Compact Network Italy

EDITING COORDINATION BY

Alessia Sabbatino and Ylenia Tommasato

DESIGNER

Metastudio - Mauro Fanti, Rome

PRINT BY

Tipolito Federici, Terni

DISCLAIMER

This publication is intended strictly for learning purposes. The inclusion of company names and/or examples does not constitute an endorsement of the individual companies by the Global Compact Network Italy. The material in this publication may be quoted and used provided there is proper attribution.

This Publication is printed with recycled paper, certificated FSC.

Edited by:



Global Compact Network
Italy

Global Compact Network Italy Secretariat
c/o FONDACA - Active Citizenship Foundation
info@globalcompactnetwork.org
www.globalcompactnetwork.org

