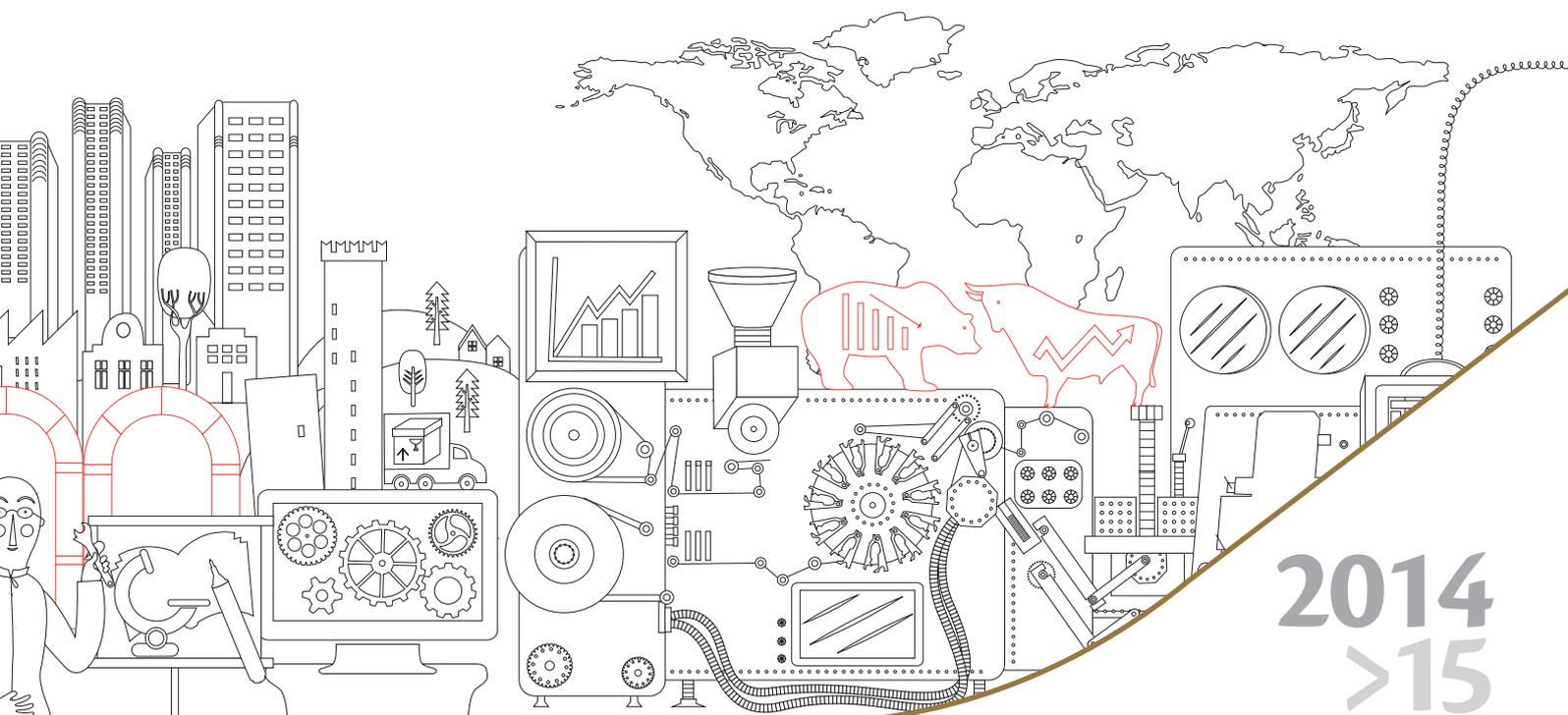




Sustainability Report



2014
>15





Sustainability Report



Technical and methodological assistance
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Letter from the Chairman



2014 closed positively and we expect good results for 2015 in terms of growth and the quality of production and services offered by IMA. While our businesses move toward offering an increasingly broad range of automatic machines to enable our customers to develop a closer relationship with consumers of pharmaceuticals, cosmetics and food, the Group continues on its way toward sustainability.

We chose to grow only on the condition of not losing our character, our commitment to the needs of our customers and various stakeholders to whom we offer innovation, quality, customized products and services, and opportunities for growth, while respecting communities and the environment.

In its acquisition strategies, IMA chose selectively, so that the integration of production companies with different stories was sustainable both from an industrial and financial point of view, making diversity an asset with which to compete. The Group takes sustainable strategic and operational decisions so that it can continue to generate value for the firm and its stakeholders, in a logic of sharing. IMA's business enhances the skills of the territory where it was born: in particular, it has built close relationships with a wide network of subcontractors, made up mostly of small businesses that form an integral part of the industrial process of our machines.

IMA's machines reflect the needs of the customer and its end-users. They are produced according to criteria of energy-saving, waste reduction, respect for operators with a view to increasingly user-friendly interfaces and the ability to reduce waste thanks to the flexibility of the systems.

IMA's Sustainability Report should be read as an important summary of the decisions and results of a competitive company that wants to maintain an internal network of virtuous relationships in order to offer externally the best of its products and expertise to assist our customers and investors in their own success stories, in a context of stability and sustainability.

The 2014/15 Sustainability Report is the result of an evolution versus the first two Sustainability Profiles already published, demonstrating the Group's intention to adopt an increasingly comprehensive tool that is able to answer the questions that the information society asks us: to do this we have decided to adopt authoritative and internationally recognised standards, such as the Global Reporting Initiative, which makes IMA's commitment and reporting process a good practice that can be recognised all over the world.

Enjoy reading it.

The Chairman
Alberto Vacchi



Reading guide



This is the third time that IMA has published a Sustainability Report: having published a “Profile of a Sustainable Company” in the last two years, from this year the report puts greater emphasis on the principles and requirements of the **Global Reporting Initiative (GRI)** in its latest version (G4), according to the so-called “Core Approach”.

The Sustainability Report began as a tool to account for responsible management of the Company, aimed at increasing the capacity to generate value while respecting the various types of equilibrium - economic, social and environmental - needed for sustainability and paying due attention to the expectations of all stakeholders that, directly or indirectly, are involved in IMA's business activity. The Report also addresses the need to communicate a responsible path, made of sustainable conduct, practices and products, which the Company initiated several years ago.

The reporting scope includes the Group's Italian companies and refers to 31 December 2014 (with prior year comparatives) and includes one new company that was acquired during the year (GS Coating Technologies S.r.l.). It is IMA's intention to expand the approach applied here in the future to companies in all of the Group's geographical areas. A certain amount of information about the entire Group, or about projects from previous years that are still having an impact, has also been included to help readers understand IMA's performance in terms of sustainability: these changes to the scope of reporting are explained in the text. Some information on Corporate Governance and Organization have been updated to early 2015, given the major changes that occurred after the end of 2014.

In accordance with the **GRI principles**, IMA's 2014/15 Sustainability Report places special emphasis on the **analysis of materiality**, which is the threshold at which an issue or indicator becomes sufficiently important that it has to be reported. Key topics and indicators are those that are considered important as they reflect the economic, environmental and social performance or because they influence stakeholders' decisions. IMA has carried out an analysis of materiality and reported on the processes, management methods and results obtained on the issues that are considered material.

In preparing the Sustainability Report, we ensured widespread participation that saw the active involvement of the various organisational areas operating within IMA. The reporting process is based on the information systems in place at the Company (management accounting, financial accounting, quality, environment, internal audit, security, personnel management, etc.) that have been supplemented with specific tools for collecting and analysing data (reporting forms): the data were processed and checked by the various department heads. The section on economic performance has been drawn up using figures taken directly from the consolidated financial statements, as audited by the Company's independent auditors.



1

WORLD LEADER

in the design and manufacture of *automatic machines* for the processing and packaging of **pharmaceuticals, cosmetics, food, tea and coffee**

1961
Year of
foundation

MISSION

To invest in technologies that will improve the **quality of life** on the planet, **reduce food waste**, increase access to **more effective drugs** and allow greater **respect for the environment**

IMA is in the heart of **Packaging Valley**, the **advanced mechanics and industrial automation cluster** in Emilia-Romagna



around
4,600

employees
including around
2,300 in Italy

IMA S.p.A. has been listed on the **MILAN STOCK EXCHANGE** since 1995. In the **STAR segment** since 2001

About 80 countries
covered by our sales network

80

countries

34

plants

in Italy, Germany, France,
Switzerland, Spain, UK, USA,
India and China

IMA's identity



Who we are

The IMA Group in brief

- Consolidated sales in 2014: 854.6 million euros (export: 91%)
- Share capital (fully paid-in): 19.5 million euros
- Employees: around 4,600, of whom 2,300 in Italy
- 34 manufacturing plants in Italy, Germany, France, Switzerland, Spain, UK, USA, India and China
- Extensive sales network covering about 80 countries

Established in 1961, IMA is world leader in the design and manufacture of automatic machines for the processing and packaging of pharmaceuticals, cosmetics, food, tea and coffee.

A leadership gained through significant investments in research and development, constant and constructive dialogue with end-users in the various sectors, and the Group's ability to internationalise and conquer new markets. In fact, steady growth is one of the main features of its history. The Group ended 2014 with **consolidated revenues of 854.6 million euros**, of which 91% is for export.

The Group chaired by **Alberto Vacchi** has about **4,600 employees**, including **more than 2,300 abroad**, and is present in over 80 countries, supported by a network consisting of **29 branches offering sale and post-sale services** in Italy, France, Switzerland, United Kingdom, Germany, Austria, Spain, Poland, Israel, Russia, USA, India, China, Malaysia, Thailand and Brazil, representative offices in Central and Eastern Europe and more than 50 agencies. The Group controls **34 production sites in Italy, Germany, France, Switzerland, Spain, UK, USA, India and China**. **IMA S.p.A. has been listed on the Milan Stock Exchange since 1995 and in 2001 joined the STAR segment.**

The IMA Group holds **1,300 patents and applications for patent in the world**; it has more than 500 designers involved in product innovation and has launched several new models in recent years.

Experience and reliability, an extensive presence in the global market and a high capacity to respond to the requests of end-users: **these are values that the Group has built up over the 50 years that it has been in business**; values that allow it to act as a partner, rather than a supplier, able to propose innovative solutions and not just high quality products.



IMA Group's main business lines

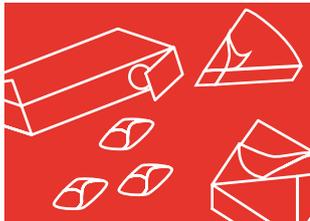
PHARMA

PROCESSING AND
PACKAGING SOLUTIONS FOR
PHARMACEUTICAL INDUSTRIES



BRANDS

IMA ACTIVE
IMA LIFE
IMA SAFE



FOOD & DAIRY

PACKAGING SOLUTIONS
FOR FOOD INDUSTRIES



BRANDS

IMA DAIRY & FOOD BENHIL
IMA DAIRY & FOOD CORAZZA
IMA DAIRY & FOOD ERCA
IMA DAIRY & FOOD GASTI
IMA DAIRY & FOOD HAMBA
IMA DAIRY & FOOD HASSIA
IMA DAIRY & FOOD HASSIA INDIA
GIMA
ILAPAK

TEA, COFFEE & BEVERAGE

PACKAGING SOLUTIONS
FOR TEA, COFFEE AND
BEVERAGE INDUSTRIES



BRANDS

IMA TEA & HERBS
GIMA
ILAPAK
FILLSHAPE



COSMETICS & TOILETRIES

PACKAGING SOLUTIONS
FOR HEALTHCARE
INDUSTRIES

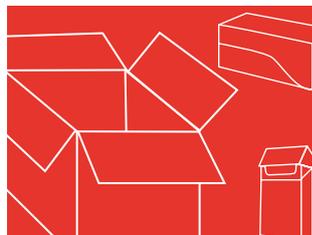


BRANDS

IMA LIFE
IMA SAFE
IMA SAFE COMADIS
ILAPAK
FILLSHAPE
TEKNOWEB

SPECIAL MARKETS

PACKAGING SOLUTIONS FOR
OTHER MARKETS

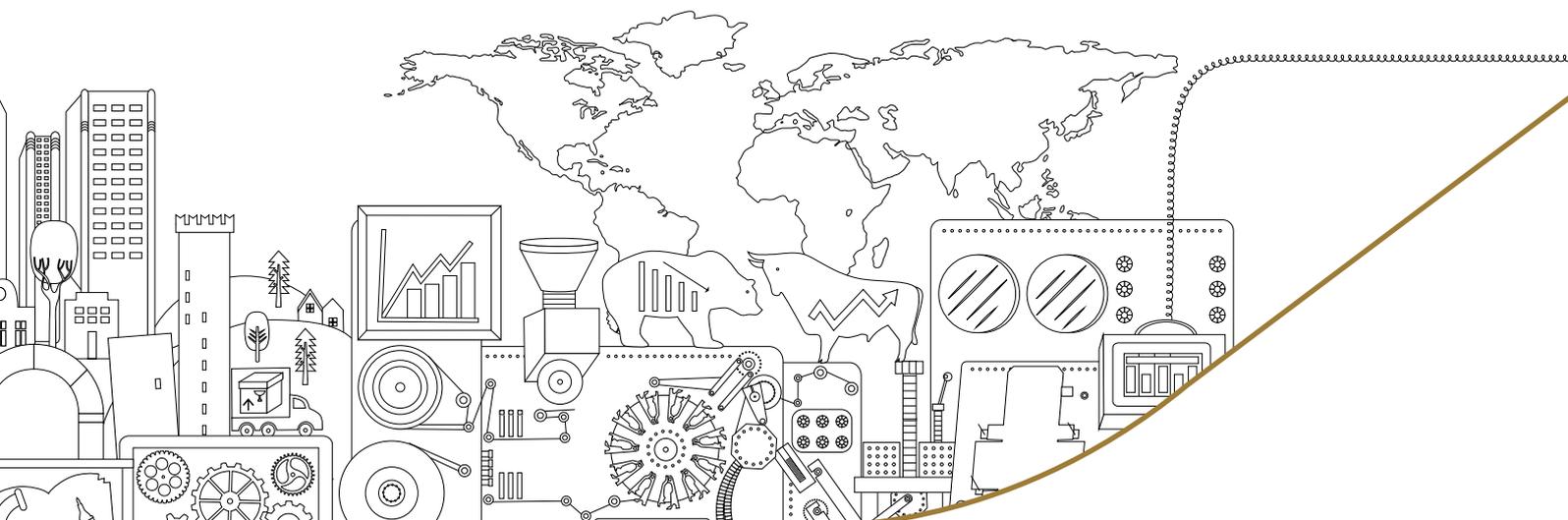


BRANDS

IMA BFB
GIMA
GIMA TT
R.I.

* Business lines updated at November 2015

** Details of the business lines are provided on the website www.ima.it



Mission and Values

Innovation, honesty, transparency and social and environmental responsibility are IMA's core values, derived from a cultural identity in which the Group identifies itself. This awareness, which has developed into a genuine entrepreneurial style, has over time become one of the Company's fundamental resources.

Rapid growth has led IMA to compete in many international scenarios that are in constant evolution. The versatility of the context in which IMA works means that it has to reaffirm and implement its own culture, making explicit the values to which it aspires, together with the responsibilities that the Group intends to assume both internally and externally.



IMA's vision and mission

IMA is well aware of its ability in the multi-disciplinary design and manufacture of complex machinery and equipment, based on the skills that have been developed in its territory over the last 700 years. It is also aware of the potential for innovation and service made up of the rich network of subcontractors and manufacturers of components that the Group has managed to create in over fifty years of business.

IMA keeps in constant touch with producers in the food, pharmaceutical, cosmetics and nutraceutical industries, making their production needs our own, even developing them in advance, in order to increase the quality of production processes and products and to reduce their costs in compliance with local and international safety and environmental regulations.

Having correctly identified its potential and developed products and services for its end-users, IMA achieved a leading position on international markets and now intends to strengthen its leadership by investing in technologies. This will improve the quality of life on the planet in the future, reducing food waste, ensuring greater access to increasingly effective drugs and protecting the natural environment.

Through the work of its men and women, a company aims to create wealth and well-being, interacting with the social and natural environment. This means that its activity cannot be solely the pursuit of profit; instead, it must be imbued with the values and principles inspired by corporate social responsibility and sustainability.

In particular, **IMA's values** are:

- **Legality:** the Group complies with the laws and regulations in the countries in which it operates, also through third parties, and rejects all forms of national and transnational crime.
- **Integrity:** honesty, fairness and transparency guide IMA's behaviour in all dealings with its stakeholders. In relations with third parties, IMA avoids providing misleading information and adopting behaviour that takes advantage of the others' weaknesses.
- **Dignity:** respect for the individual and the rejection of any form of abuse and exploitation are core values. In hierarchical relations, authority must be exercised fairly and all types of behaviour that could favour or harm the individual worker are prohibited.



- **Equality:** IMA promotes equal opportunities and the protection and enhancement of human resources, wherever they operate. Discrimination based on political or union allegiance, religion, race, nationality, age, sex, sexual orientation, health or whatever is not permitted.
- **Loyalty:** Entrepreneurship and proper competition to ensure a fair competitive confrontation on the market. In fact, competition stimulates efficiency, courage to invest and the ability to innovate, for the benefit of customers and end-users.
- **Sustainability:** IMA is committed to reducing the environmental impact of its production activities and of the technologies that it produces in compliance with current legislation, taking into account the latest developments in scientific research and the state of the art in its specific field.
- **Sociability:** IMA promotes charitable activities that encourage social inclusion, health prevention, the protection of the most vulnerable, better access to culture and an overall development of the social environment in the territories where the Company operates and, when possible, outside of them as well.

Code of Ethics

It represents the Company's "Constitutional Charter", which sets out the ethical and social responsibility of all participants in IMA's entrepreneurial organization. It is an important instrument for implementing ethics both inside the company - ensuring fair and effective management of transactions and human relations - and outside the company - maintaining its reputation. To ensure that all employees share the ethical principles of the code and observe its recommendations, the full Code of Ethics is handed out to all new employees along with their employment contract. IMA also sends the Code of Ethics to its suppliers with an invitation to base its trade relations to the highest ethical standards.



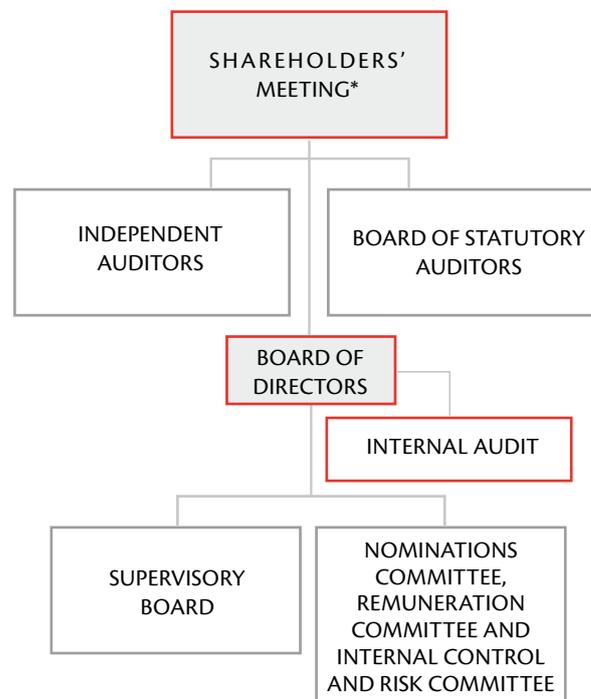
Corporate Governance and Organization

The Corporate Governance structure adopted by IMA S.p.A. follows the recommendations and standards contained in the Code of Conduct for Listed Companies, with a view to ensuring a higher degree of transparency and efficiency for its own system of corporate governance in order to safeguard all shareholders, investors and other stakeholders. IMA S.p.A. adopts the traditional system of administration and control, having as its main bodies: the Board of Directors, the Board of Statutory Auditors and the Shareholders' Meeting.

IMA Group is audited by a firm of independent auditors. IMA S.p.A. has an **Internal Control and Risk Management System** designed to ensure that the business is run in a fair and healthy manner that is consistent with its stated objectives of sustainable development through a suitable process of identification, measurement, management and monitoring of the principal risks. This control process includes within it the system for managing risks associated with financial reporting: the system has been designed and implemented taking into account the important innovations introduced into Italy in recent years on the question of corporate governance, including:

- **Decree 231/2001** on the "Administrative liability of legal persons of companies and associations without legal personality";
- **Law 262/2005** ("Savings Law");
- **The Code of Conduct** prepared by the Corporate Governance Committee of Borsa Italiana S.p.A.

IMA also made reference to international best practice and adopted the "**CoSO Report - Internal Control-Integrated Framework**".



*Significant shareholdings: SO.F.I.M.A. Società Finanziaria Macchine Automatiche S.p.A. (60% of the share capital) and Hydra S.p.A. (2.003%)



The Board of Directors of IMA S.p.A.

The AGM appointed the new **Board of Directors of IMA S.p.A.** on 28 April 2015, which will remain in office up to the AGM called to approve the financial statements at 31 December 2017; the Meeting also decided that the Board should consist of **13 members (12 on the previous Board), including 3 independent directors.**

The rules on **gender quotas** were applied for the renewal of the Board: the members represented in the new Board of Directors of IMA S.p.A. meet these provisions.

The present **Board of Directors** consists of:

- Marco Vacchi, *Honorary Chairman*
- Alberto Vacchi, *Chairman and CEO*
- Stefano Cataudella, *Non-Executive Director*
- Paolo Frugoni, *Independent Director* (Lead Independent Director)
- Marco Galliani, *Non-Executive Director*
- Andrea Malagoli, *Executive Director*
- Giovanni Pecchioli, *Executive Director*
- Luca Poggi, *Non-Executive Director*
- Pierantonio Riello, *Independent Director*
- Rita Rolli, *Independent Director*
- Maria Carla Schiavina, *Non-Executive Director*
- Gianluca Vacchi, *Non-Executive Director*
- Valentina Volta, *Non-Executive Director*

The Directors' CVs are available in the Investor Relations section (Company Officers) of the Company's website (www.ima.it).

The current **Board of Statutory Auditors** is in office until the approval of the financial statements at 31 December 2015 and is made up of:

Acting Auditors

- Giacomo Giovanardi, *Chairman - Auditor*
- Roberta De Simone, *Auditor*
- Riccardo Pinza, *Lawyer*

Alternate auditors

- Vittorio Coraducci, *Auditor*
- Giovanna Bolognese, *Auditor*
- Federico Ferracini, *Auditor*

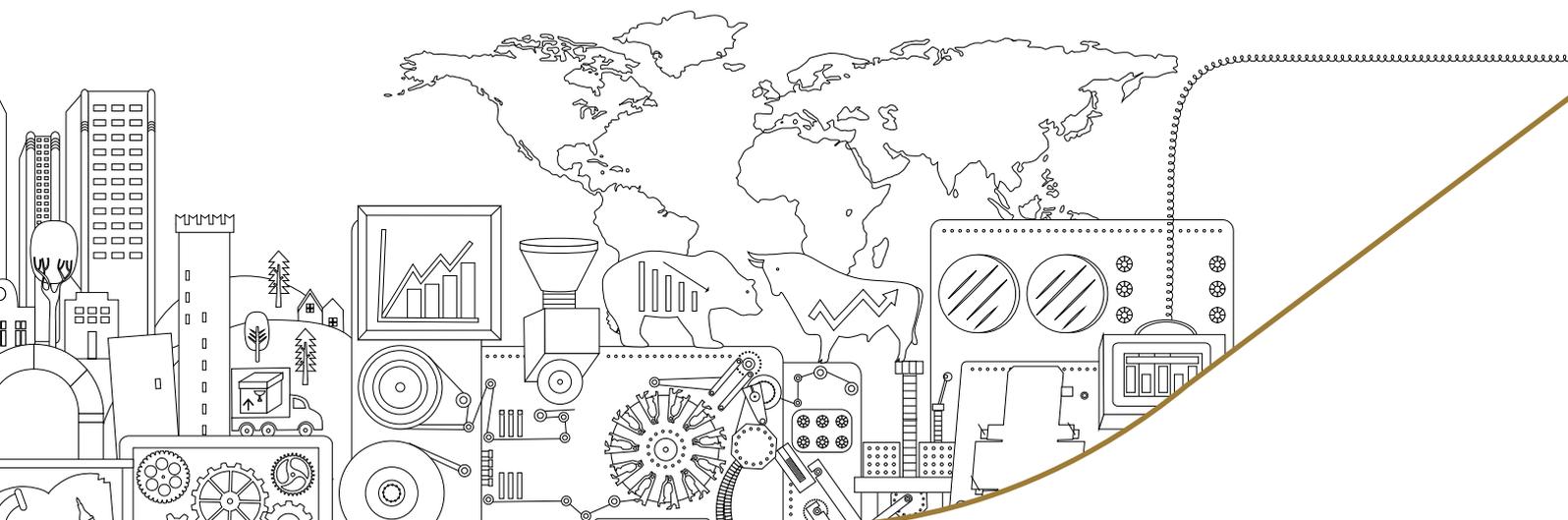
The **Committee** which combines the functions assigned to the Nominations Committee, the Remuneration Committee and the Internal Control and Risk Committee is made up of:

- Paolo Frugoni, *Chairman - Independent Director*
- Pierantonio Riello, *Independent Director*
- Maria Carla Schiavina, *Non-Executive Director*

The **Supervisory Board** comprises:

- Maria Lucia Sireci, *Chairman - Lawyer*
- Gerardo Diamanti, *Manager*
- Mario Panzeri, *Management Consultant*

The Supervisory Board supervises the operation, effectiveness and compliance with the Organizational Model for corporate crime prevention, with the aim to prevent the crimes from which the administrative liability of IMA S.p.A. may derive, pursuant to the provisions contained in Legislative Decree 231/2001 (such as corruption, false communication, exploitation of persons, etc.). To complete the Model, IMA S.p.A. foresees a Code of Ethics, which contains the commitments and ethical responsibilities of the directors, employees and consultants in conducting business and corporate activities and a specific channel reserved to prevent or report any behaviour contrary to the Code of Ethics. In 2014 there were no cases of disputes opened as a result of reports relating to matters governed by the Code of Ethics and the Model 231.



Our **Independent Auditors** are Reconta Ernst & Young S.p.A.

The “**Investor Relations**” section of our website contains detailed information on corporate, economic and financial matters of interest to shareholders, investors, analysts and the press. An **Investor Relations Manager** has been identified within the corporate structure, who is responsible for handling relations with the financial community both nationally and internationally and with all of the shareholders.

COURSES IN ETHICS AND ADMINISTRATIVE RESPONSIBILITY

In the context of ethical and social responsibility, IMA S.p.A. and the other Group companies have adopted (or are in the process of adopting) the **Organization, Management and Control Model** in accordance with Decree no. 231/2001, appointing their own Supervisory Board, which is responsible for carrying out the specific control activity in an appropriate way to prevent the commission of the types of offences that would be considered a source of liability for the Company. Starting from the early stages of adoption of the model, IMA provided training for all of the top managers and officers that would be most involved (managing directors, senior managers, heads of department): a total of 315 people between 2008 and 2012. Subsequently, IMA chose to spread the content of Legislative Decree 231/2001 more widely by using e-learning methods and, from September 2013 to June 2015, involving around 1,100 employees belonging to Human Resources, Purchases & Sales, Administration, General Environment and Safety, IT and Quality & Compliance.

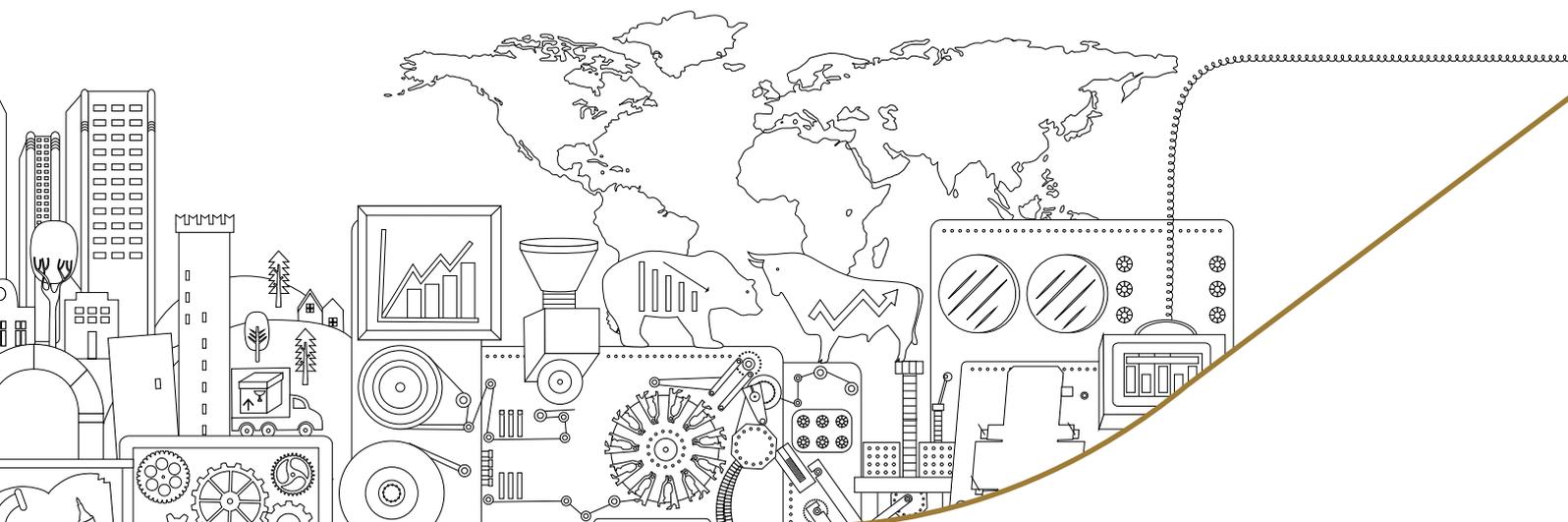
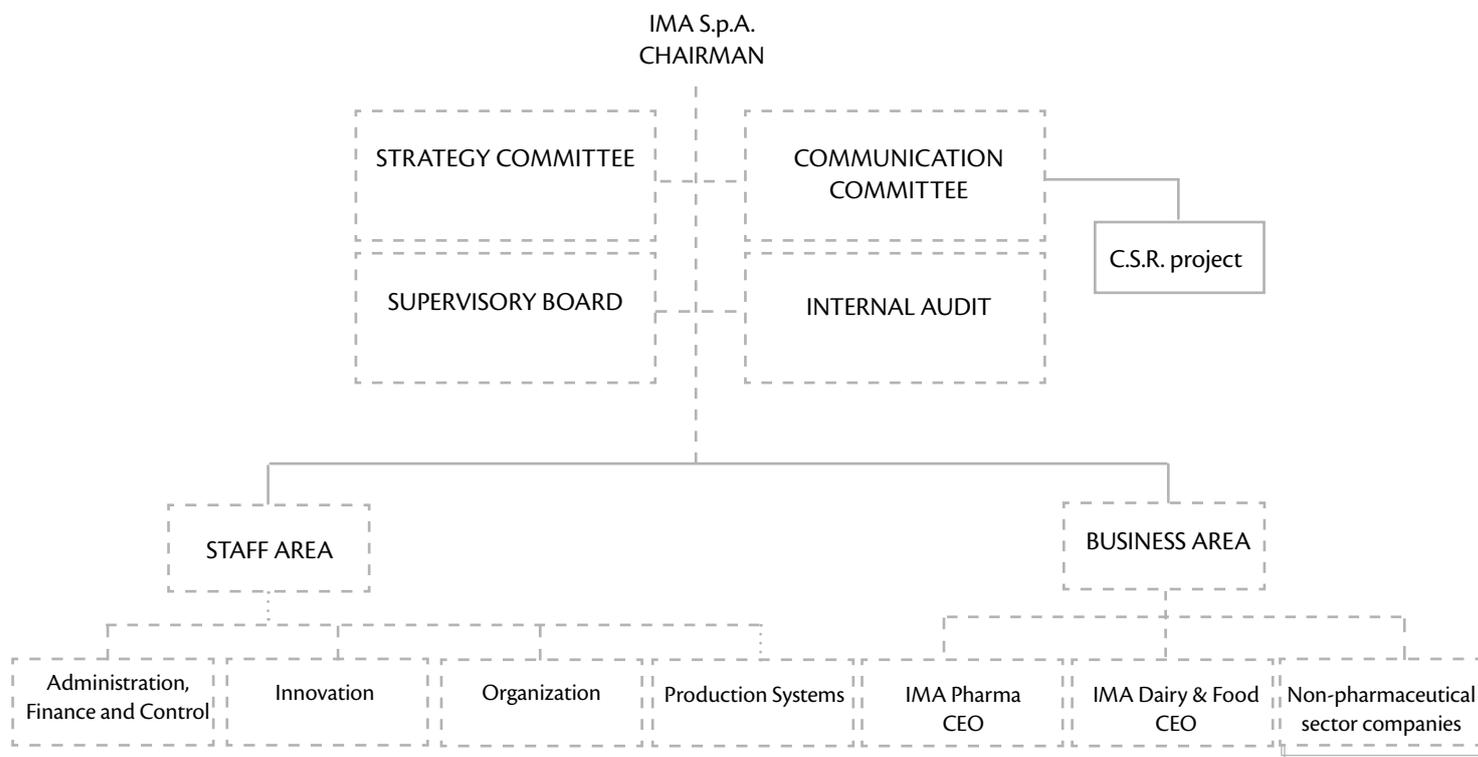


Organizational structure

The organization structure of IMA S.p.A. is based on the integrated management of business processes according to the rules laid down by certified management systems. The Company's organization chart is structured on the

basis of the production and commercial divisions that characterise the business.

The general organization chart of IMA S.p.A. at October 2015 is as follows:



Risk Management and certifications

IMA has long pursued a policy of **responsible management** with a view to being sustainable from an economic, social and environmental point of view.

IMA defined an internal control and risk management system, considered as a set of rules, procedures and organisational structures designed to ensure that the business is run in a fair and healthy manner that is consistent with its stated objectives, through a suitable process of identification, measurement, management and monitoring of the principal risks. The Board of Directors has laid down the main guidelines for the internal control and risk management system.

In addition, IMA introduced a set of management systems certified by an independent third party, designed to create value in a sustainable way, shared with all stakeholders, above all Human Resources. The aim is to interpret the needs of our end-users by pursuing the highest possible quality standards while reducing our environmental impact to the minimum.

In particular, IMA has achieved and maintains the following **international certifications**:

STANDARD	TOPIC	CERTIFICATION BODY	FIRST RELEASE DATE
UNI EN ISO 9001	Quality management system	SGS	09/09/1997
BS OHSAS 18001	Health and Safety at Work Management System	SGS	30/01/2014

In addition, IMA subscribes to the ethical codes applied by leading multinational clients on issues relating to sustainability, after verifying that they are consistent with our own principles.



In the heart of the Cluster

Emilia-Romagna has always been characterized by the presence of formidable mechanical skills that have generated in the area a complex industrial system that could be called an “integrated cluster”, where the definitions of “supply chain” or “hub” become insufficient to represent all of the dynamics that are going on. The **advanced mechanics and industrial automation cluster of Emilia-Romagna** has strong roots: the Emilia-Romagna region’s enormous passion and deep culture in the field of packaging, automation and mechanical engineering in general, supported by the creation and maintenance of specialized schools to ensure the replacement of technicians, generation after generation, have given rise to a network of businesses devoted to advanced mechanics. Often they are born from one another, carving out their own specific niche and helping to forge a well-defined territorial identity, thanks to the exchange of ideas and transfer of draftsmen and engineers from one company to another.

Emilia-Romagna’s advanced mechanics and industrial automation cluster has gradually built up a specialist network of suppliers that serve it adequately: thanks to **knowledge management** and the **conservation of skills** in this broad network of subcontractors, the cluster has the ability to customize automation according to the demands of end-users all over the world (the proportion of exports by these enterprises is in fact very high). A cluster that deserves to be valued even more for its various types of excellence. IMA intends to make its contribution to this through specific projects and initiatives.

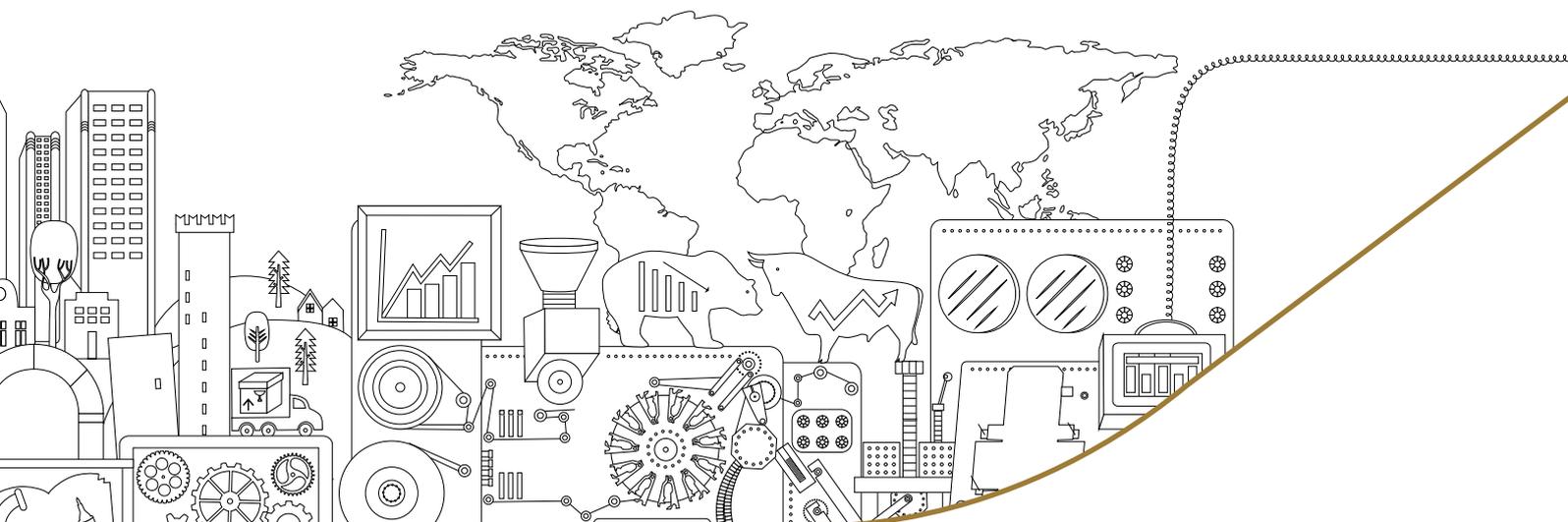
Packaging Valley: when Italian industry is a world leader.

The case of Bologna’s automatic machine cluster

Europe has a long tradition of very successful geographical clusters. Throughout Europe, there are various regions where industrial entrepreneurship flourishes thanks to a concentration of rival manufacturers, expert suppliers and demanding customers. Within countries, the level of entrepreneurship varies greatly from region to region.

The largest manufacturers of automatic machines for packing and packaging are Italian and German, representing 53.8% of international trade. In particular, the Italian industry has a high propensity to export (more than 81% of its turnover is billed abroad), whereas Japan and the USA produce mainly for their domestic markets.

Much of Italy’s growing strength in non-electronic mechanical engineering originates from specialized local clusters. The packaging machinery sector in Italy has 300 industrial-sized companies and an equivalent number of smaller firms. The sector achieved a record turnover of 6.2 billion euros in 2014, an increase of 3.6% over the previous year. Not only exports grew (+1.2% in 2014), but also internal demand (+15.6% in 2014). 36.3% of these companies are based in Emilia-Romagna, home of Italy’s **most important production cluster for automatic packaging machines** (the second being in Lombardy). The heart of the cluster is located in the province of Bologna, but it also extends about 100 km into the provinces of Modena, Reggio Emilia and Parma.



According to **UCIMA** (Unione Costruttori Italiani Macchine Automatiche per il Confezionamento e l'Imballaggio – www.ucima.it), Emilia-Romagna generates 62.9% of the national turnover in this sector, representing approximately 3.9 billion euros in 2014, 54.6% of employees and 36.3% of companies. Taking these four provinces of Emilia-Romagna into consideration, in 2014 there were 219 “pure” manufacturing companies of automatic packaging machines. The turnover generated by these companies in 2014 came to a total of around 3.9 billion euros.

They employed approximately 14,900 people. If we only consider the province of Bologna, there were 134 companies active in the field of automatic machines during that period, with a total turnover of approximately 2.3 billion euro and 11,000 employees.

The province of Bologna is a real success story: many firms located in “**Packaging Valley**” were founded by the testers or designers of such machines, who became entrepreneurs thanks to their experience. Bologna’s business community is also proud of its Aldini Valeriani School, a prestigious industrial technical institute that trained most of the technicians employed in this sector, as well as the Industrial Heritage Museum, which traces the history of production processes, technologies, products and forms of innovation in Bolognese industry from the XVI to the XX century.

Packaging Valley’s success is due to this great tradition of mechanical engineering, high technology and extreme flexibility of automatic machine manufacturers, who can count on a wide network of highly specialized suppliers, all involved in a continuous exchange of know-how. In fact, the automatic machine manufacturers are those who assemble and test the finished product, whereas the individual components are made by subcontractors who form part of the same cluster. This type of organization provides a high level of flexibility both in production and in the delivery of products to customers all over the world.

In this context, to remain competitive the priority is the ability to create innovation. This innovation comes above all from research, but also from close cooperation with the end-users, according to a philosophy of co-makership, in order to respond to very diverse needs, including the need to offer the consumer a high degree of safety and machines that are more and more ergonomic and easy to use.

“NOT AT ALL FRAGILE – BOLOGNA CAPITAL OF PACKAGING”

The new edition (2014) of the book “**Not at all fragile - Bologna capital of packaging**”, edited by Roberto Curti and Maura Grandi, documents the research coordinated by **Museum of Industrial Heritage** to analyse Bolognese reality and the history of the manufacturers of automatic machines between 1920 and 1990: a collection of unpublished photographic material, interviews with leading players, machines and mechanical parts that bear witness to an extraordinary variety and type of products and the creativity of their builders. The quality of the Italian automatic machines industry, which is internationally recognized, in this case comes from the specialized area of the economic headquarters and trade relations to show itself as a fact of industrial culture and business history. The book, which at the time summed up the contents of the exhibition Making Automatic Machinery, is now complemented by a **new essay by Vittorio Capecchi**, updating his earlier analysis of the packaging sector, outlining its present characteristics.

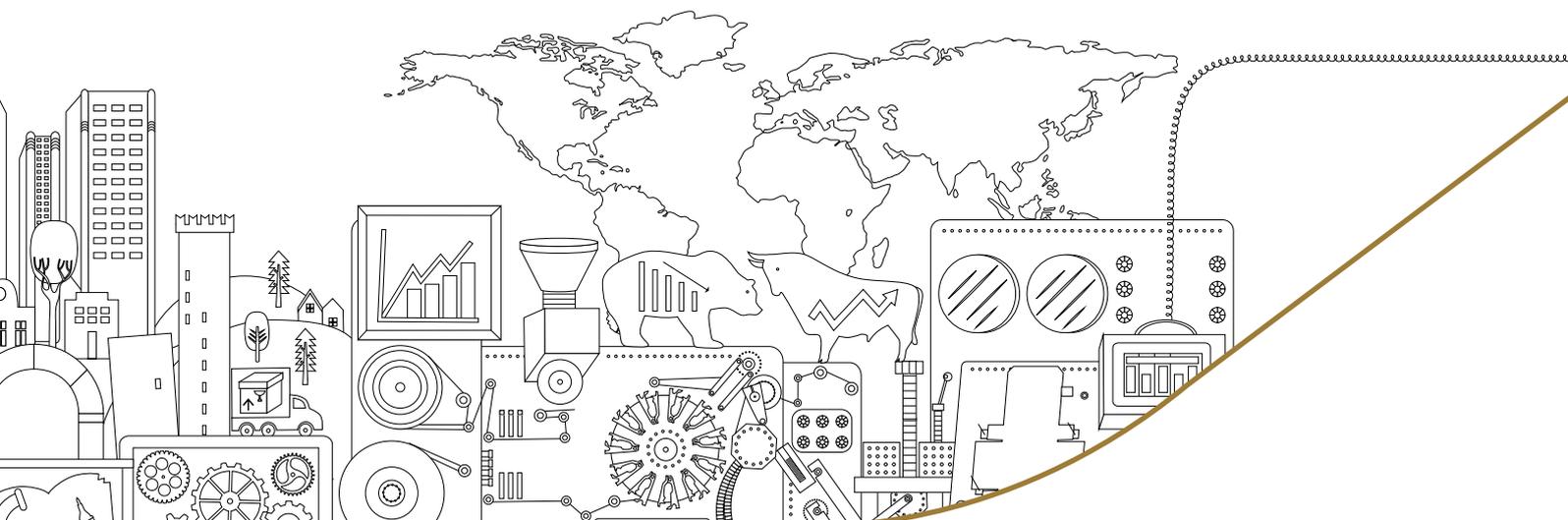
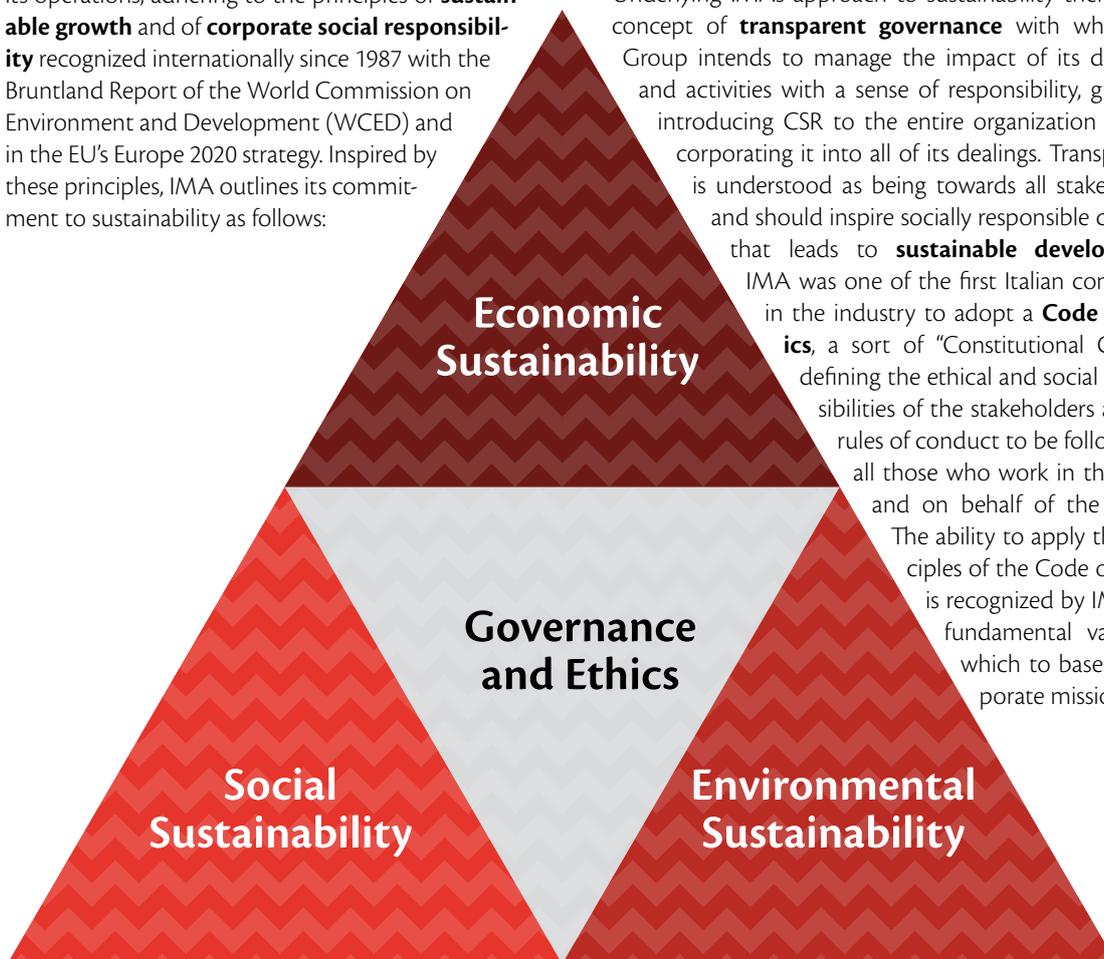


IMA's approach to Sustainability

In planning its strategies, the IMA Group takes account of the economic, social and environmental impact of its operations, adhering to the principles of **sustainable growth** and of **corporate social responsibility** recognized internationally since 1987 with the Bruntland Report of the World Commission on Environment and Development (WCED) and in the EU's Europe 2020 strategy. Inspired by these principles, IMA outlines its commitment to sustainability as follows:

Governance and Ethics

Underlying IMA's approach to sustainability there is the concept of **transparent governance** with which the Group intends to manage the impact of its decisions and activities with a sense of responsibility, gradually introducing CSR to the entire organization and incorporating it into all of its dealings. Transparency is understood as being towards all stakeholders and should inspire socially responsible conduct that leads to **sustainable development**. IMA was one of the first Italian companies in the industry to adopt a **Code of Ethics**, a sort of "Constitutional Charter" defining the ethical and social responsibilities of the stakeholders and the rules of conduct to be followed by all those who work in the name and on behalf of the Group. The ability to apply the principles of the Code of Ethics is recognized by IMA as a fundamental value on which to base its corporate mission.



Economic sustainability

IMA's strategy aims to create profit to remunerate its shareholders, but also economic **value for all of its stakeholders**. This is based on the primary objective of IMA's business: **end-user satisfaction**. Through continuous investment in technology and constant improvement of the quality and reliability of its products, opening new foreign branches or joint ventures with other industry players, IMA is able to serve its end-users more and more quickly and efficiently, giving it a competitive advantage.

Social sustainability

IMA is committed to promoting a **culture of quality** to ensure products and services of the highest possible level and end-users' satisfaction. IMA also assumes the responsibility of protecting the health and safety of the people working for the Group, in collaboration with the requests of labour organizations: **welfare, professional development and quality of the work environment** are values that go beyond compliance with current legislation and that IMA ensures through training, monitoring systems, prevention activities and continuous investment. The Group ensures continuous dissemination of information and the adoption of a responsible and transparent approach to corporate governance. **IMA's social commitment** is based on a fundamental concept: the responsibility that an industry has towards society and the world is an expression of will on the part of top management, as well as an element of identity for all those who work for the enterprise. That is why IMA involves its employees directly in programmes and initiatives of corporate citizenship and promotes the principles of Corporate Social Responsibility internally. **The territory**, understood as the economic and social fabric in which IMA was born and raised, is a strategic element for the Group's activities. Between territory and enterprise there is in fact a constant exchange of knowledge, experience and wealth (and not just economic wealth), that makes the relationship both inseparable and interdependent.

For this reason, IMA is well aware that its success hinges on the welfare of the community in which it operates. Of course, the Group applies the same philosophy at the various plants located in other geographical areas, educating and creating greater awareness of the issues at the companies that the Group has acquired, in order to achieve the same standards as at the plants founded by IMA.

Environmental sustainability

Even though IMA's business is non-polluting and has a limited impact on the environment, every effort is made to minimise any impact on the environment that may derive from the production cycle: **energy management, carbon footprint and proper waste disposal** are just some of the programmes that exist to safeguard environmental resources. Adherence to the Carbon Disclosure Project and working methods that maximize energy savings are just some of the Group's commitments towards the environment.



For example, IMA's end-users, which are often multinational organizations that are very sensitive to issues of Corporate Social Responsibility, express a number of **recurring CSR themes** through supplier valuation processes, requests to sign codes of conduct and contractual clauses, which IMA has taken into consideration in this Sustainability Report.

These issues are:

Labour and human rights

- Respect for human rights (child labour; gender, religious, ethnic discrimination, etc.)
- Health and safety in the workplace
- Compliance with contract terms
- Protection from molestation, including sexual harassment
- Promotion of equal opportunities
- Respect for individual cultural and religious preferences
- Presence and dissemination of the Code of Ethics
- Professional development and training
- Promotion of merit

Environment

- Measuring environmental impact and intervention strategies
- Energy efficiency
- Use of renewable energy sources
- Water use reduction
- Waste reduction
- Measurement of carbon dioxide emissions (carbon footprint) and publication of results (CDP - Carbon Disclosure Project)
- Pollution reduction
- Raising awareness of environmental issues

Supply chain, community and territory

- Differentiation of suppliers: company policy that promotes the purchase of goods and services from different firms
- Policy of sustainability throughout the supply chain
- Development of the industrial cluster
- Relationship with schools, universities and promotion of youth employment
- Adherence to international codes on transparency and corporate governance, such as the Sarbanes-Oxley Act in the U.S.A.

ECOVADIS: PLATFORM THAT MONITORS SUSTAINABILITY ALONG THE SUPPLY CHAIN

At the request of some of its customers, IMA has joined the **Ecovadis** platform, which looks after monitoring sustainability along the supply chain. In 2015, IMA was assessed positively by Ecovadis with a "Silver recognition level"; a result that puts IMA within the range of 30% of the best performances among the companies analysed by Ecovadis in 2015.

Analysing materiality

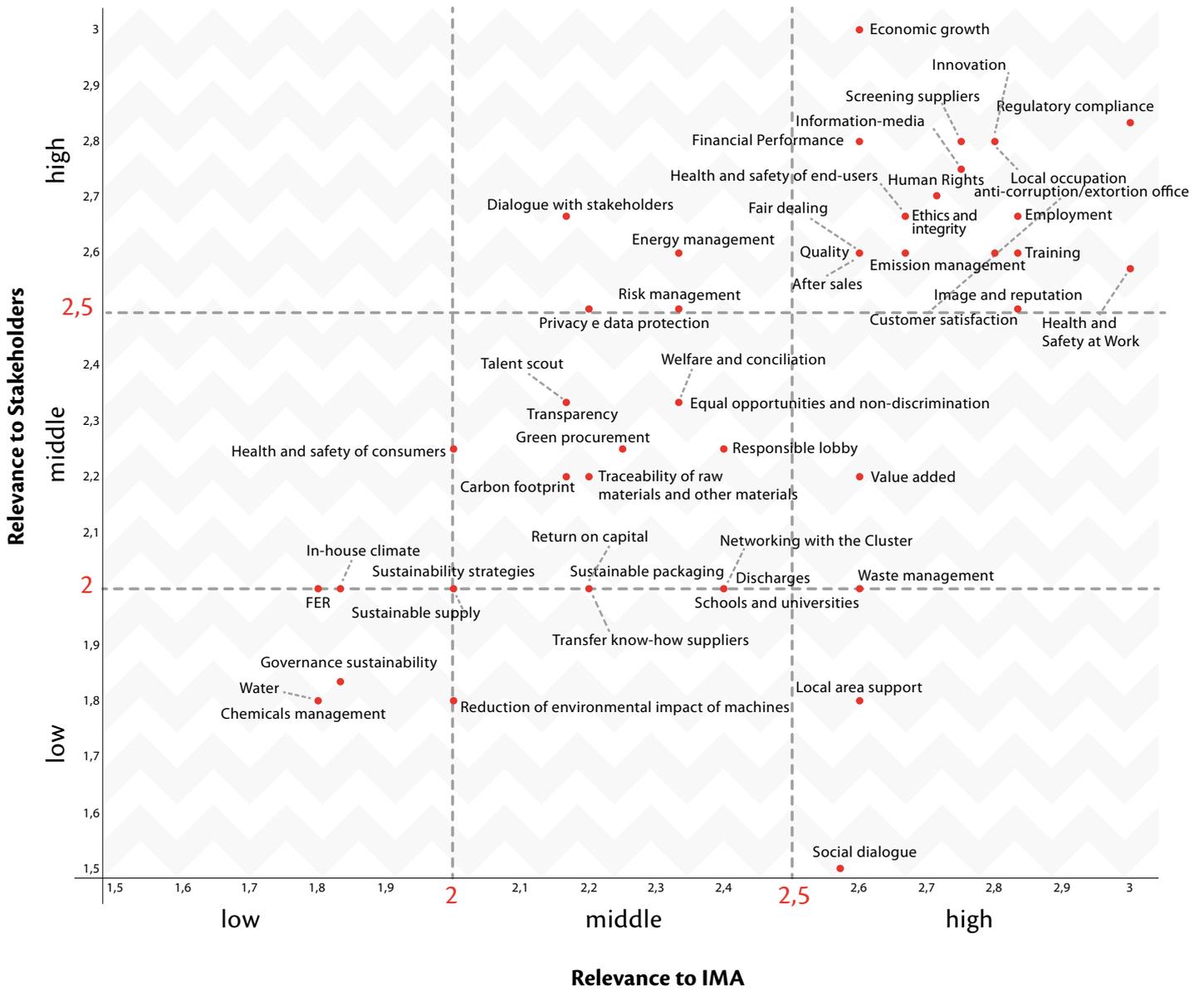
IMA has identified the most relevant and material topics (defining as "material" all issues that influence the decisions, actions and performance of an organization and/or its stakeholders) and the ongoing activities of listening and dialogue. The materiality analysis aims at identifying relevant issues and specific aspects pertaining to the social responsibility of the organization and defining the most important issues for all stakeholders.

The following chart shows a summary representation of IMA's **materiality analysis**. The main social responsibility issues are represented by a matrix, using as variables the significant economic, environmental and social impacts for IMA, as well as their influence on stakeholders' decisions. The analysis was carried out internally and involved a working group that represented the various areas of the Company: scores were assigned to each sustainability issue, in order to assess the importance and priority that IMA should attribute to each of them.

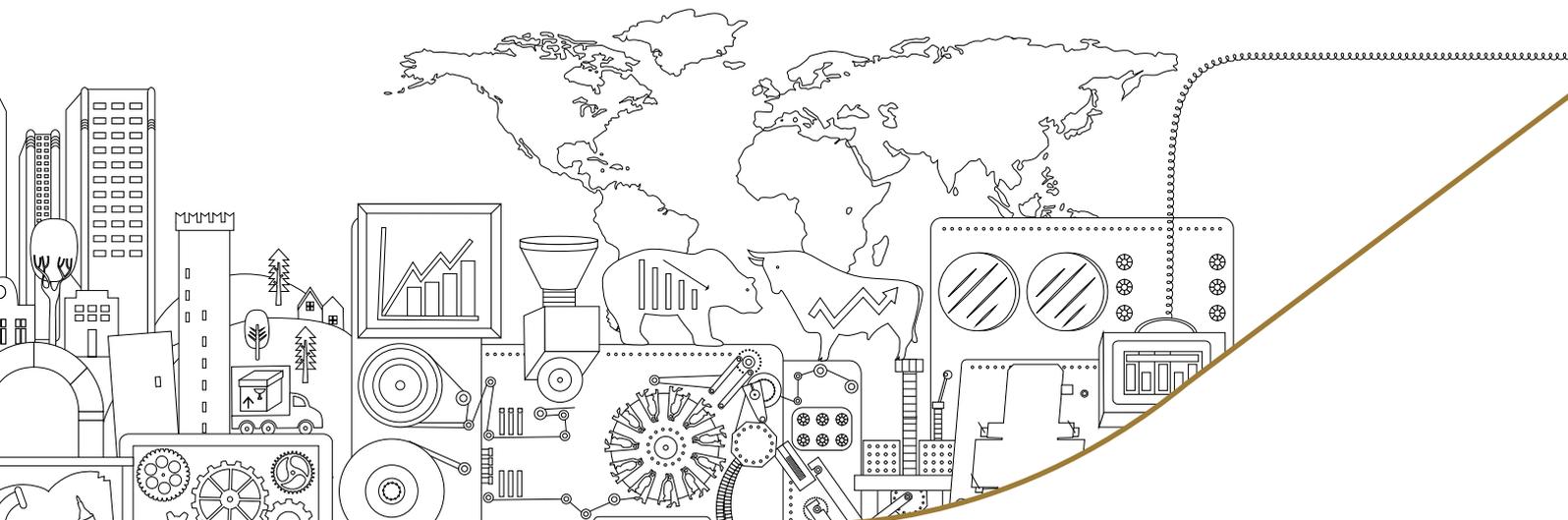
The box in the upper right corner shows the issues that got a very high ranking for both internal and external stakeholders.



THE MATERIALITY ANALYSIS



* Figures processed on the basis of a scale from 0 = not important to 3 = extremely important



51.6
mn €
OF NET PROFIT



SHARE CAPITAL:
(fully paid-in)
19.5 mn €

Consolidated sales
in 2014:



854.6
million euros
(+12.3% on 2013)

30%

of sales comes from
AFTER MARKET SALES



EXPORT:
91%
of sales



36.2
mn
euros invested
in *R&D*

254.7 million
to Employees



56.7 million
to the Shareholders



36.1 million
to the Public Administration



22.4 million
to the Corporate System

12.5 million
to Lenders



384.2
million

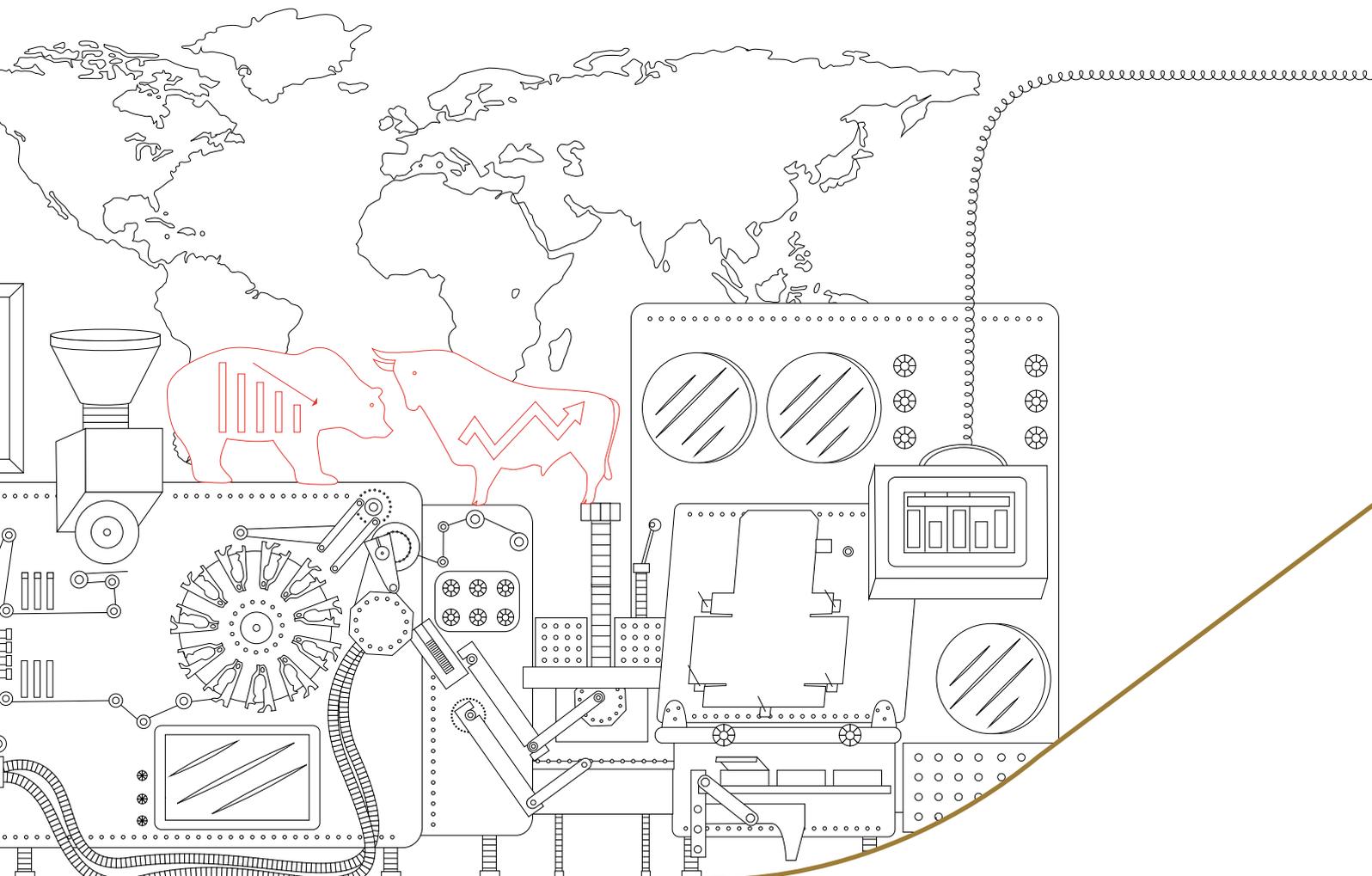
euros of Economic
wealth produced

1.8 million
to the Community



**According to the Value Added methodology
proposed by the Study Group for the Social Report*

Economic Sustainability



Economic and financial results

“

*“The IMA Group closes another year with positive results in all areas of business, strengthening the Group’s leadership position in the pharmaceutical and food sectors. The good performance of the consolidated order book and the positive trend of the first three months with order acquisition higher than in the same period last year, allow us to look forward with confidence to the rest of 2015. One of our targets for the current year is the strengthening of the food packaging sector, after the acquisition of the OYSTAR Group’s Dairy business, which we expect to help us exceed the important threshold of one billion euros of forecast revenues in 2015. Steady and significant cash generation, which permitted a remarkable reduction in debt at the end of 2014 has led us to reward shareholders with a higher dividend than last year.”**

*Alberto Vacchi
Chairman of IMA
Press release of 28 April 2015*

** The Meeting of 28 April 2015 approved the distribution of a dividend of 1.35 euros per share, an increase over the previous year (a dividend of 1.25 euro per share approved by the Shareholders’ Meeting of 29 April 2014).*

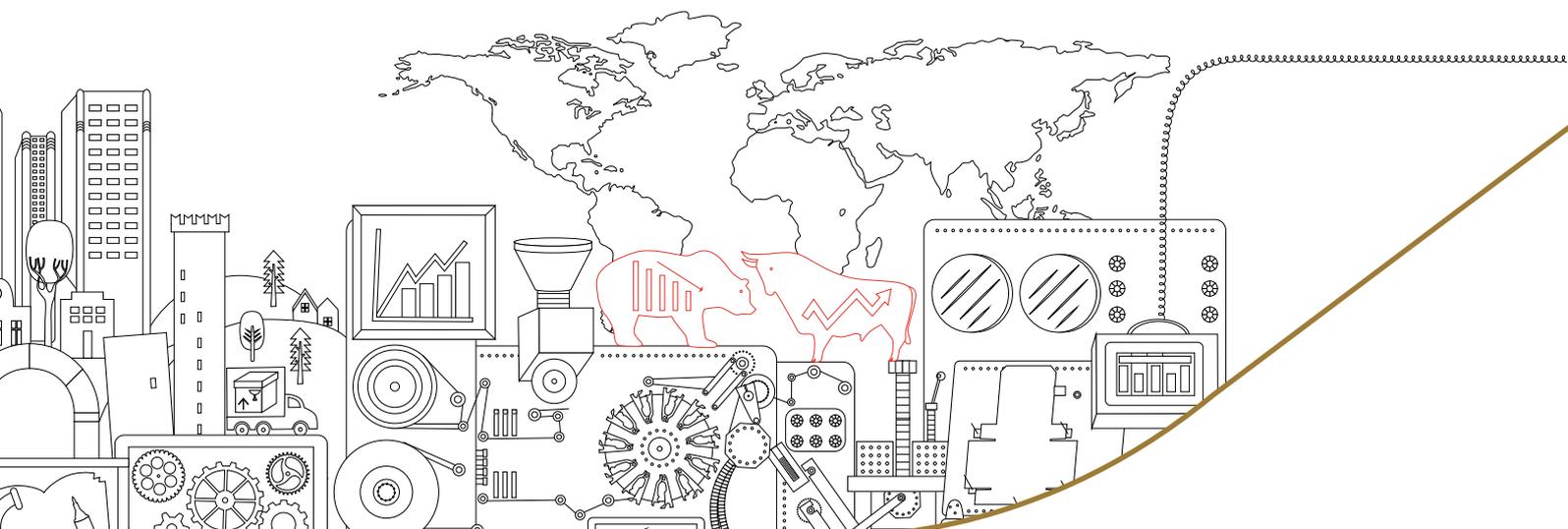
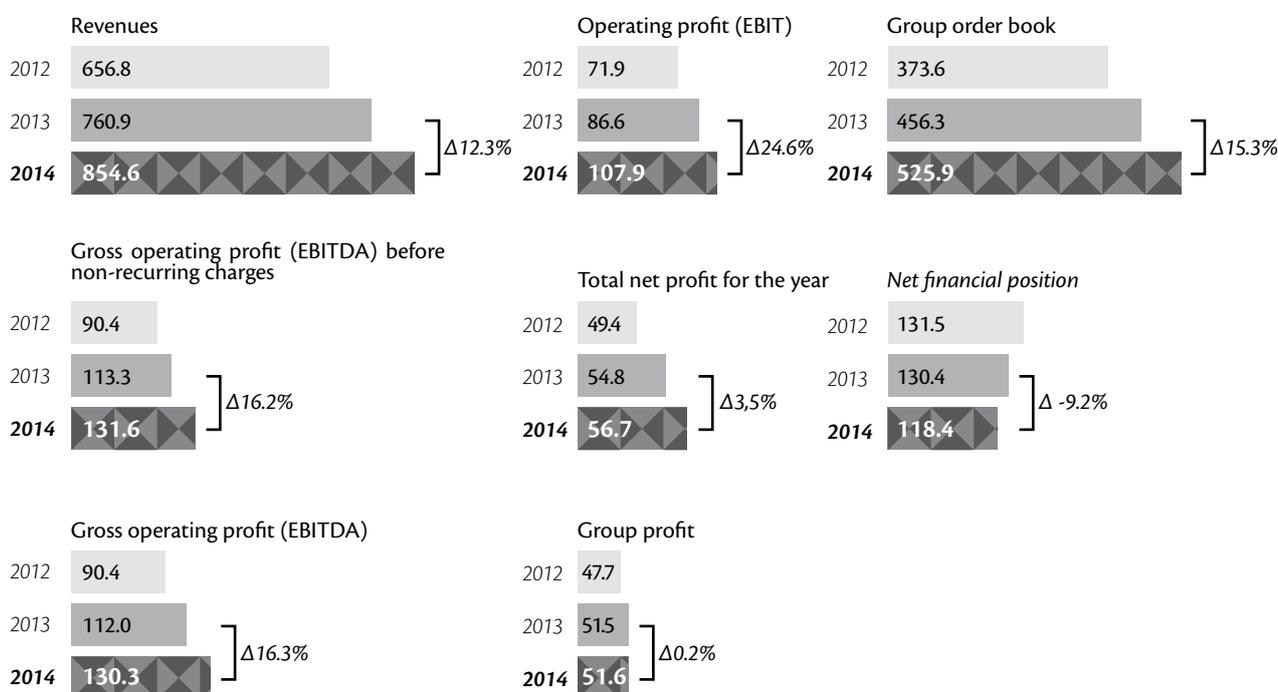


The IMA Group closed 2014 with strong growth in **net revenues** to 854.6 million euros (+12.3% compared with 2013). **Exports** accounted for 91%, with excellent results in Asia, the Middle East and Europe. **Gross operating profit (EBITDA) before non-recurring charges** rose to 131.6 million euros (+16.2% with respect to 2013), **gross operating profit (EBITDA)** to 130.3 million euros (+16.3% with respect to 2013) and **operating profit (EBIT)** to 107.9 million euros (+24.6% with respect to 2013). The **total net profit for the year** rose to 56.7 million euros (+3.5% with respect to 2013) and the **Group profit** to 51.6 million euros (51.5 million in 2013). The **Group order book** at 31 December 2014 comes to 525.9 million euros, an increase of 15.3% compared with 456.3 million at 31 December 2013.

The IMA Group closed 2014 with better results in all business areas, thanks to the positive trend in sales of automatic machines to the Group's key sectors (**pharmaceutical and food**) and to the contribution of the ILAPAK Group.

Net debt of the IMA Group at 31 December 2014 fell considerably to 118.4 million euros (130.4 million at 31 December 2013), despite the dividends distributed during the course of 2014, for a total of 46 million euros, and the outlay for the acquisition of a minority interest in the ILAPAK Group for some 23 million euros.

CONSOLIDATED RESULTS AT 31 DECEMBER 2014 (amounts stated in millions of €)



THE UPWARD TREND OF THE IMA SHARE CONTINUES

The IMA share has ended 2014 with a 29.6% increase, from Euro 28 at the beginning of the year to over Euro 36 at 31 December 2014. The market has shown appreciation for the Company's external growth strategy. During the year the Group signed an agreement to acquire an 80% stake in Benhil, Erca, Hassia, Hamba and Gasti, which now form part of IMA Dairy & Food, leaders in the design, production and marketing of machines, lines and systems for packaging products for the food and, in particular, for the Dairy industry with plants in Germany, France, Spain and India. In 2014, the IMA stock turned in a rise with significant trading volumes, continuing the rally that started in 2013. According to analysts following the stock, this rally is motivated by the fact that the Company has good fundamentals and a positive trend in its core businesses (pharmaceuticals and food) in almost all geographical areas, with the proportion of exports reaching 91% in 2014. The market has rewarded the Group's visibility thanks to an excellent order book. IMA also has a very good level of cash generation with which to reward shareholders and to strengthen a capital structure that is already strong, allowing us to pursue a policy of sustainable expansion. A series of factors that have supported the share's growth that is continuing this year as well. On a comparative basis year to year, IMA's performance during 2014 was more marked than the trendline of the FTSE Italia STAR segment to which it has belonged since 2001.

IMA STOCK PERFORMANCE FROM 1 JANUARY 2014 TO 31 DECEMBER 2014 AND COMPARISON WITH THE STAR SEGMENT (amount stated in €)



Graph by VWD Italy

This demonstrates a greater propensity for investors to buy IMA shares compared with the index.

IMA: A HISTORY OF INTERNAL AND EXTERNAL GROWTH

I.M.A. Industria Macchine Automatiche s.a.s. was founded in Bologna in 1961. In 1963, the Vacchi family acquired 52% and the company was transformed into a joint stock company, furthering its industrial development. It was in this period that the production of automatic **tea bag** packaging machines began, a sector in which IMA duly became world leader. The '70s saw IMA enter the field of packaging machines for **pharmaceutical products**, with the launch of a blister packaging machine.

In those years, IMA began to evolve from a small business into a dynamic and innovative multinational Group. The goal of business growth was constantly pursued both internally and externally through acquisitions and alliances.

Listing on the Milan Stock Exchange in 1995 triggered off a number of operations in Italy and abroad. The acquisitions made over the last ten years have involved the pharmaceutical sector and, in particular, the **food** industry. Buying an 80% stake in Benhil, Erca, Hassia, Hamba and Gasti, which now form part of IMA Dairy & Food, was the most important deal in the Group's history. With this acquisition, IMA has taken a further step towards the future. The products made by the five companies acquired, which are complementary to the Group's presence in the food sector, puts IMA among the most important leading groups in the field of food packaging worldwide, alongside the Group's long-standing leadership in the pharmaceutical industry. In support of organic growth, IMA has continued to invest in Research & Development to meet the growing needs of a clientele made up of sector leaders that require machines and production systems that are increasingly intelligent and more and more customised. Rather than looking for low costs in the global market and to offer the best, IMA has created a network for its suppliers, implementing decisions based on the quality and reliability of all players in the supply chain. In an increasingly competitive global market, IMA is proceeding in its policy of sustainable growth based on the enhancement of leading market brands.

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Communication with the financial community

Economic and financial communication has to give stakeholders rapid and accurate knowledge of the Group's activities and results: through regular reporting of its critical success factors, strategic objectives and financial position, IMA helps to increase the transparency of financial data, creating a relationship of trust with the financial community.

The easily accessible "Investor Relations" section of our website contains detailed information of interest to the shareholders, allowing them to exercise their rights on an informed basis. IMA publishes on its website press releases and notices with regard to the exercise of rights pertaining to the securities that it has issued, documentation about Shareholders' Meetings and any other documentation generally made available to the public in such circumstances.

A member of staff has been appointed Investor Relations Manager to handle all dealings with the Italian and international financial community and with the shareholders.

Press releases (issued at the time of board meetings, shareholders' meetings, the publication of quarterly, half-yearly and annual results, corporate actions, etc.) and **corporate information** (releases on internal dealing, buy backs, etc.) are published on the SDIR-NIS (the Italian Stock Exchange's own information circuit), and then on IMA's website. IMA has been using the 1INFO system (www.1info.it) for the storage of regulated information. It is a centralized system required by the Transparency Directive through which issuers can deposit regulated information for disclosure in accordance with the regulations.

Press releases are then distributed to the **media** (via the Press Office) and to the **financial community** (via the Investor Relator). The results are assessed in the **press review**, which is distributed internally (by the Press Office) and in **financial analysts' reports** (by the Investor Relator).

As regards **meetings with the financial community**, the Italian Stock Exchange organizes two annual events for the companies in the STAR segment (the **STAR Conference - Milan**, which usually takes place in March, and the **STAR Conference - London**, which is usually held in October). These involve meetings with analysts and investors. During the year, IMA also takes part in a number of **roadshows and conferences organized by brokers**.

On the release of the main economic and financial data, and in conjunction with the meetings with the financial community, the related presentation generally gets published on the SDIR-NIS circuit and on IMA's website. Storage takes place through the 1INFO system.

Press briefings are organized in Bologna and Milan whenever there are major corporate events and transactions (acquisitions, joint ventures, etc.). IMA publishes alerts (notices of shareholders' meetings, dividend payments, quarterly reports, annual and interim financial statements, etc.) in national newspapers, on the SDIR-NIS and on the IMA website. In addition, the Group periodically publishes corporate pages on the main national newspapers in the event of important initiatives.

ECONOMIC AND FINANCIAL COMMUNICATION

In 2014, IMA issued around 40 press releases with an average of one every 8 days.



Direct economic value generated and distributed

In the Social Responsibility Report, **Value Added** is calculated as the difference between revenues and costs of production that do not constitute remuneration for corporate stakeholders. From this point of view, the Value Added parameter adopted here differs from the purely accounting definition because it uses the methodology proposed by the **Study Group for Social Reporting**

Value Added reflects the IMA Group's ability to generate wealth during the reference period, for the benefit of some of the main stakeholders, in accordance with the cost efficiency of operations and the expectations of the stakeholders: in 2014, this value was 384.2 million euros (+14% compared with 2013).

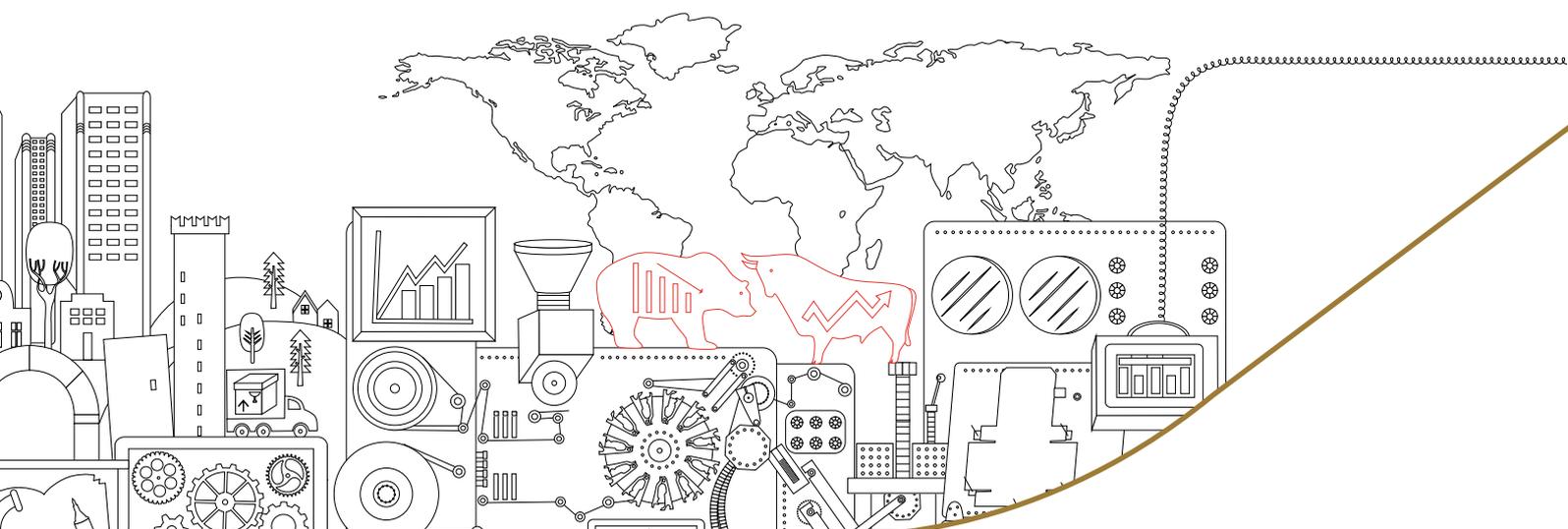
DETERMINATION OF VALUE ADDED <i>(in thousands of € at consolidated level)</i>	2013	2014
A) Value of production	782,174	871,925
Revenues from sales and services	760,927	854,617
Change in work in progress, semifinished and finished goods	7,097	4,383
Change in inventory of raw, ancillary and consumable materials	2,342	-1,521
Other revenues	11,808	14,446
B) Production costs	-452,184	-483,116
Cost of raw, ancillary and consumable materials and goods for resale	-266,113	-277,588
Services	-158,431	-181,961
Leases and rentals	-15,287	-17,267
Provisions and reversal of provisions for risks and charges	-1,641	-1,688
Other operating costs	-2,745	-3,326
Writedowns	-7,967	-1,286
Gross core value added (=A-B)	329,990	388,809
Net financial income and expense	1,198	-4,605
Net non-recurring items	5,912	0
Total gross value added	337,100	384,204



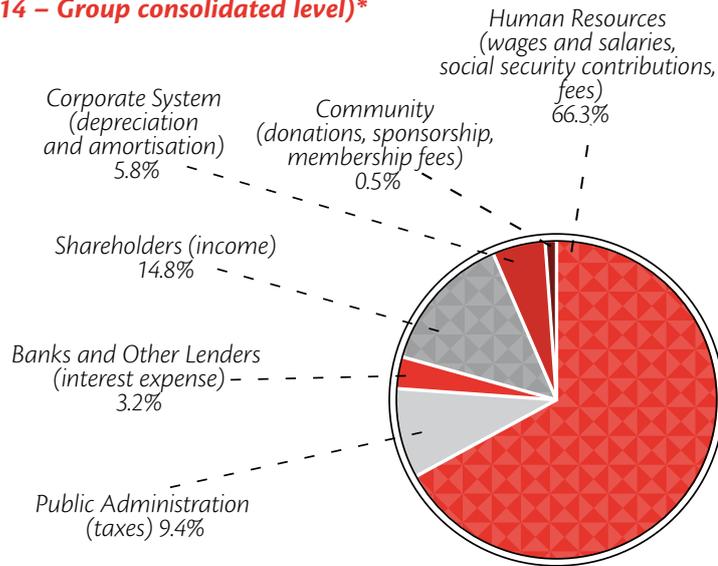
DISTRIBUTION OF VALUE ADDED <i>(in thousands of €)</i>	2013	2014
A) Remuneration of Personnel	220,633	254,652
Employees (wages and salaries, severance indemnities, social security contributions)	220,048	254,207
Social activities for employees (corporate sports group, CSR projects)	179	0
Statutory Auditors and Supervisory Board	406	445
B) Remuneration of the Public Administration	31,940	36,090
Income taxes for the year	30,097	34,044
Other taxes and dues	1,843	2,046
C) Remuneration of Lenders	8,858	12,515
Interest expense	8,858	12,515
D) Remuneration of Shareholders	54,796	56,748
Profit pertaining to the Group	51,540	51,562
Profit pertaining to minority interests	3,256	5,186
E) Remuneration of the Corporate System	19,189	22,414
Retained earnings		
Depreciation and amortization	19,189	22,414
F) Contributions to the Community	1,684	1,783
Donations to institutions and associations (social utility charges)	1,325	1,414
Membership fees	359	369
TOTAL GROSS VALUE ADDED	337,100	384,202

The calculation and distribution of Value Added express, in monetary terms, the relationship between the Company and the socio-economic system with which it interacts, with particular reference to certain key stakeholders:

- **Personnel:** remuneration of employees
- **Public Administration:** remuneration of the public administration
- **Lenders:** remuneration of debt capital
- **Shareholders:** remuneration of risk capital
- **Corporate System:** remuneration of the Company
- **Community:** donations and sponsorships.



**DISTRIBUTION OF VALUE ADDED TO STAKEHOLDERS
(384.2 mn € in 2014 – Group consolidated level)***



* Value added = Value of production - Production costs (e.g. raw materials, materials, goods and services, operating costs); see the table for how the figure is calculated

- The share of consolidated Value Added that went to the **personnel** amounted to 254.7 million euros (+15.4% on 2013), representing 66.3% of Total Value Added.
- The remuneration of **risk capital**, 56.7 million euros (14.8% of Total Value Added) is represented by the profit attributable to the Group and minority interests. 5.8% of Value Added created in 2014, 22.4 million euros, has been invested in the Company and reflects the amount of depreciation and amortization of capital investments made by Group companies.
- The portion distributed to the **Public Administration** came to 36.1 million euros (9.4% of the total), being the sum of taxes and dues for the period. 12.5 million euros are allocated to banks and other lenders for interest due on mortgages, loans and bonds (3.2% of Value Added).
- Lastly, 1.8 million euros was allocated to the **Community** for trade associations and above all donations, sponsorship and charity.

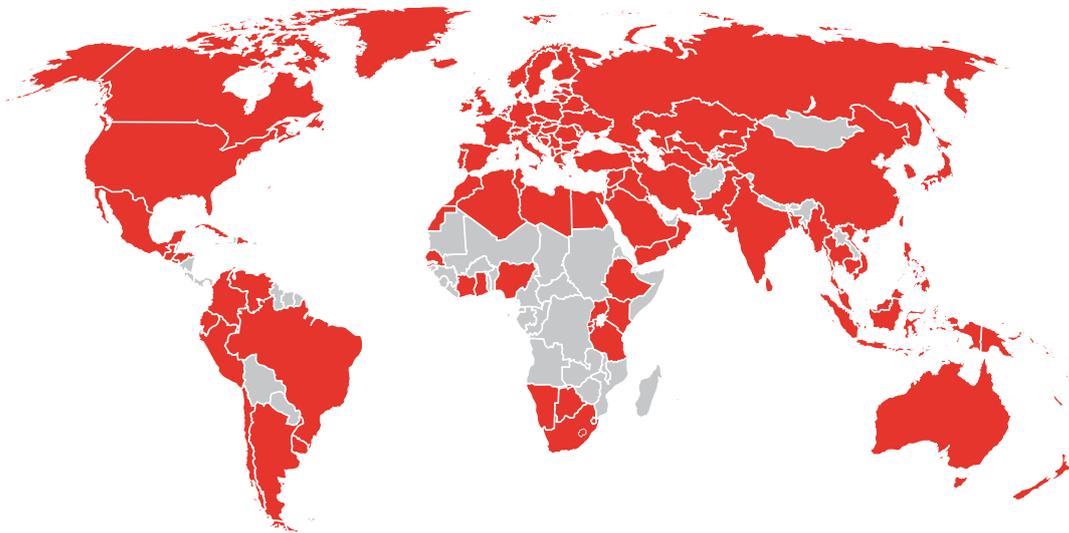


End-users

Customers and markets

- To cope with a market that is increasingly characterized by sudden changes in the scenario and a difficult economic climate, IMA continues to focus on the expansionist policies launched in recent years, focusing on the following **commercial strategies**:
- Developing revenues by leveraging both internal and external growth through a plan of strategic acquisitions.
- Expanding our geographical area of action, while safeguarding our leadership in the historic markets and strengthening our presence in those with greater potential, such as China but not limited to it.
- Seeking new business opportunities by leveraging our operational capacity, expanding the range of products and continually renewing them from a technology and functional point of view.
- Maintaining profitability by means of close oversight, safeguarding the points of excellence achieved in our production platforms.
- Focusing on excellence in customer service (technical and regulatory support, turnkey installation and start-up, after-sales service extended to the entire useful life of the product).

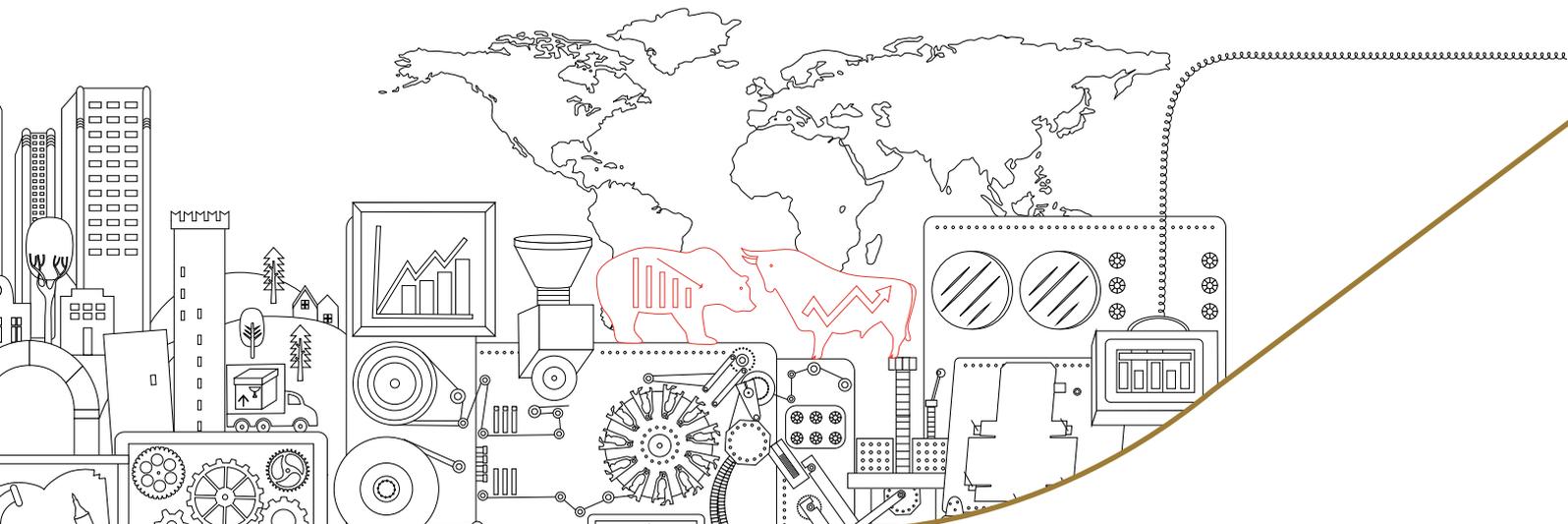
IMA IN THE WORLD



The Group has **34 manufacturing plants in Italy, Germany, France, Switzerland, Spain, UK, USA, India and China.**

Again at Group level, IMA has a widespread commercial network consisting of **29 branches offering sales and**

after-sales services in Italy, France, Switzerland, UK, Germany, Austria, Spain, Poland, Israel, Russia, USA, India, China, Malaysia, Thailand and Brazil, representative offices in various central and eastern European countries and more than 50 agencies that cover a total of around 80 different countries.



SOME OF THE IMA GROUP'S MAJOR END-USERS:

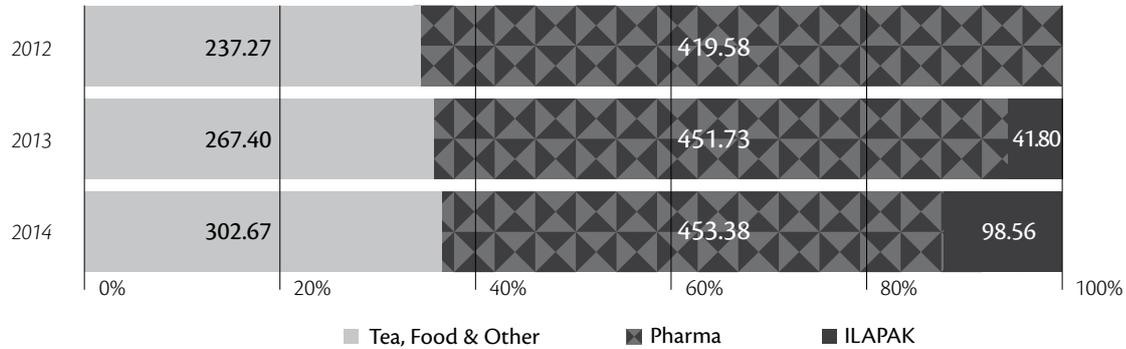
Abbott
Actavis
Aenova
Ahmad Tea
Amgen
Arla Foods
Astellas
AstraZeneca
Bahlsen
Baxter
Bayer
Bel Group
Bigelow Tea
Boehringer Ingelheim
Boiron
Bristol-Myers Squibb
British American Tobacco
Cadbury Adams
Chiesi Farmaceutici
Chiquita
Chupa Chups
Cloverhill Bakery
ConAgra Foods
CooperVision
Danone
Delpharm
Eisai
Eli Lilly
Fabbri 1905
Ferrero
Gedeon Richter
General Mills
GlaxoSmithKline
Groupe Lactalis
Groupe Soparind Bongrain
Grünenthal
Grupo Bimbo
Grupo Siro
Halter
Hospira
Johnson & Johnson
JVC
Kraft
Krka
Land O'Lakes
L'Oréal
Laurens Spethmann Holding
Lipton
Lotte
Mars Incorporated
Menarini
Merck & Co.
Miratorg
Mission Foodservice
Mondelez International
Nestlé
NextPharma
Nice Pak
Novartis
Novo Nordisk
Nypro
Orimi Trade
Patheon
Pepperidge Farm
Perfetti Van Melle
Pfizer
Philip Morris
Procter & Gamble
Reckitt Benckiser
Roche
Sandoz
Sanofi Aventis
Sara Lee
Seaquist Closures
Servier
Takeda
Technicolor
Tetley
Tetra Pak
Teva
The Coca Cola Company
Twinings
UCB
Unilever
Western Digital
Witor's
Wrigley
Zambon
Zoetis



Consolidated revenues in 2014 amounted to 854.6 thousand euros, an overall increase of 12.3%, of which 5.1% due to organic growth, with respect to 2013. The Tea, Food & Other Sector grew by 13.2%, whereas the Pharmaceutical Sector remained substantially at the same

level as last year. The revenues of the ILAPAK Group, on the other hand, rose by 56.7 million euros, mainly because it contributed for a full year compared with just 5 months in 2013.

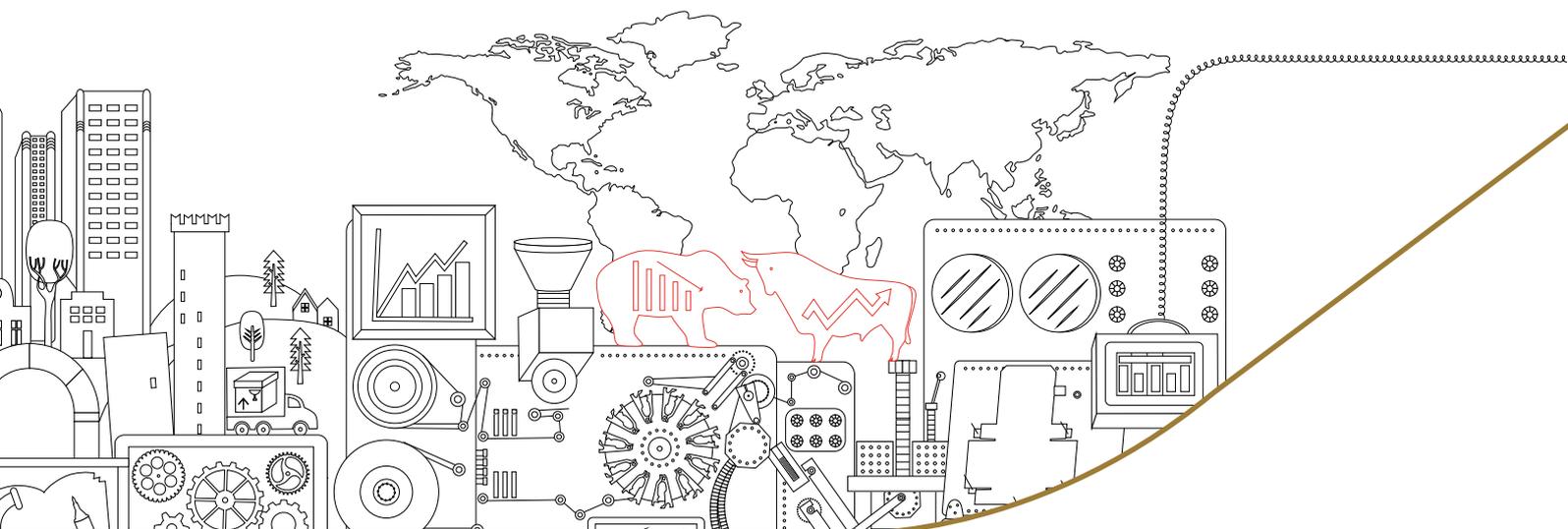
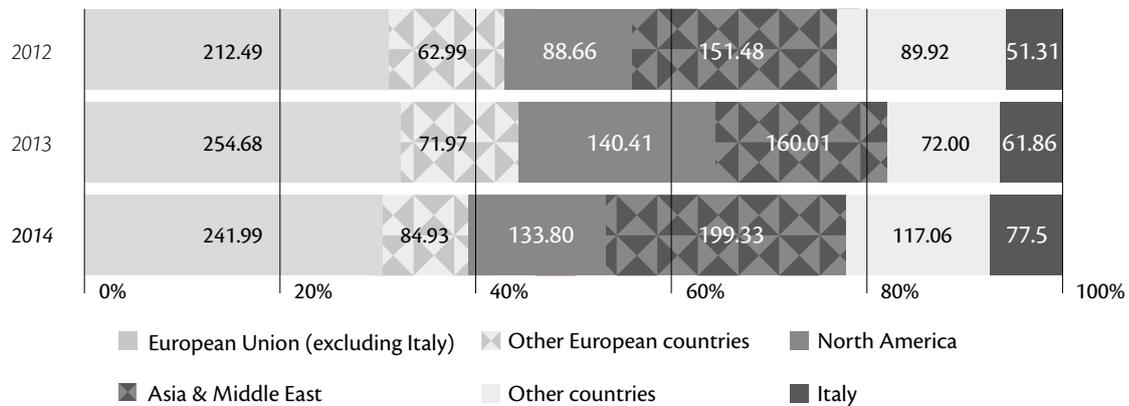
CUSTOMERS BY SECTOR (consolidated sales - mn €)



90.9% of revenues came from **outside Italy** with growth in Europe, Asia & Middle East and other countries with a slight decrease in the European Union and North America. About 70% of revenues were generated by **plant and ma-**

chines, while 30% came from **after-sales activities** (support, spares, kits, etc.).

CUSTOMERS BY GEOGRAPHICAL AREA (consolidated sales - mn €)



Information and communication

Communication with end-users and operators in the reference sector (Trade Press) takes place through media relations: this includes the preparation, dissemination and follow-up of **product press releases, editorials and case histories** for trade magazines and portals. Editorial material is produced in collaboration with the Marketing Departments of the Group's main sectors.

At the time of the **main exhibitions**, where the IMA Group exhibits, press kits are prepared with information and photos of the new products on display. Press kits are available to journalists visiting IMA's stand and at the trade fair's press room. IMA also organizes press tours during the Group's main events (open house events, new office inaugurations, etc.) and regularly publishes advertising pages on the main Italian and international trade publications, as well as banners and e-news, especially during major exhibitions.

THE IMPORTANCE OF BEING PRESENT AT EXHIBITIONS

Being present at exhibitions is fundamental: exhibitions are not only a showcase and an opportunity to meet with visitors; they have become genuine cultural centres where innovations can be proposed to one's own industry.

IMA believes strongly in this moment of encounter between company and visitor that exhibitions offer: it is an important opportunity to listen and discuss, to reflect on problems and on their solutions, and to create innovation. An exhibition symbolically represents the universe in which a company operates during the course of its life: its products, current and potential customers, sales network, suppliers, competitors and specialized press.

In addition, congress organisations can provide updates on the world of regulations, trade trends and institutional, economic and political aspects of one's own sector.

Being present at exhibitions makes it possible to understand how the market is evolving and therefore to anticipate trends and customers' needs: it is important to maintain interest and encourage the search for new solutions within one's own industry, especially in the world of business-to-business, which is always looking for things that are new.

Driven by a distinctly international vocation, the IMA Group has taken part in exhibitions around the world since its foundation. Suffice to say that IMA attends more than forty national and international events during 2015. Some are generalist exhibitions dedicated to the world of processing and packaging, others are specific exhibitions dedicated to our particular markets.

Exhibitions, but also specialist symposia and open-house days at our factories, are opportunities for IMA to collect information on the needs of its target markets.

In a company that is so keen on communication and visual inputs, the design aspect to focus on is without a shadow of doubt originality: the stand is the business card with which we present ourselves to the visitor. And IMA is certainly a reference model for how to present the brand and the value of the Group at exhibitions.



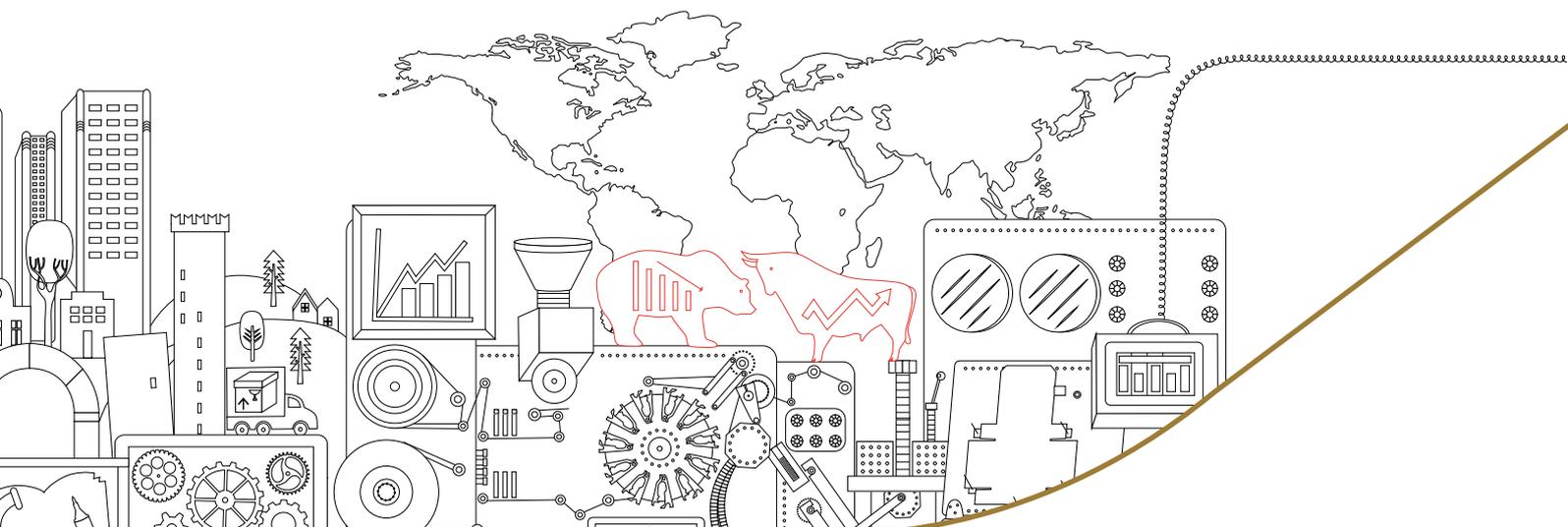
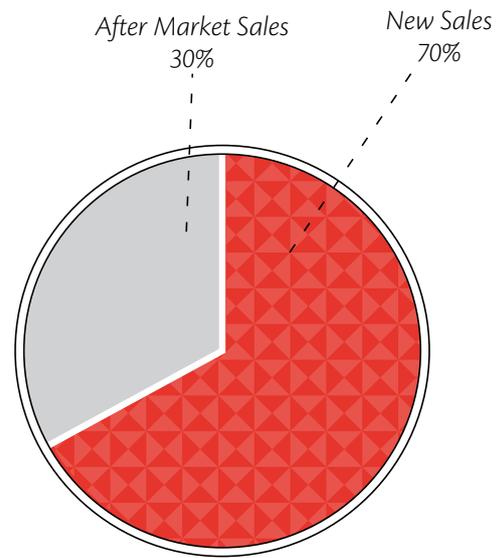
IMA's after-sales support

A high level of after-sales technical support has always been the lynchpin of IMA's **customer-oriented** policy and this has been made possible by having a global network: a large proportion of Group revenues, accounting for 30%, is generated by after-sales services and the provision of spare parts and equipment. High value-added activities with high margins and recurring by nature.

IMA's after-sales service structure fosters the consolidation of relationships with customers, basing them on transparency and maximum satisfaction. The quality of our original spare parts, together with the very high professionalism of our technicians, provide customers with the best possible conditions for the maintenance and operation of the machines, ensuring their maximum efficiency and reliability.

The number of **IMA technicians** (both for the pharmaceutical sector and for the other sectors), who support end-users in all aspects of installation and maintenance of the machines, has risen steadily over the last three years, reaching 680 at the end of 2014. In total, for all divisions of the Group, around 25,000 days' support were provided in 2014. In terms of sales, this is around 30 days' support for every million euros of revenue.

REVENUES BY TYPE 2014



There are various types of after-sales services. The most important ones are listed below:

Extended warranty

- This programme, which operates in the pharmaceutical sector, provides greater protection to customers in terms of machine failure, repair costs and replacement parts.
- The extended warranty period begins on the expiry of the machine's standard warranty and is valid for another 12 months.

Integrated maintenance

In addition to routine maintenance, IMA customers can request the integrated maintenance (which provides for inspections and maintenance) to keep their machines in good working conditions over time. The resulting benefits are: a decrease in machine failure, increased plant productivity and maximum safety for operators.

Spare parts service

- A highly qualified team of experts systematically checks the quality of the original parts supplied by IMA, guaranteeing 100% reliability.
- IMA has a very efficient distribution network: with the help of its branches and agencies, IMA is able to deliver spare parts throughout the world in a very short time (12-24 hours in Europe, 36-48 hours outside of Europe).

MyIMA Spare Parts

MyIMA Spare Parts is an online service offered by IMA to its customers in the Tea & Herbs and Pharmaceutical sectors; it provides immediate answers 24 hours a day, 7 days a week, regarding the availability of spare parts in stock, their price and their location on the machine. The main advantages for the customer are: multilingual service, simple and easy access via the Internet, speed and transparency, rapid identification of spare parts and their location, display of the prices and availability of each component, possibility of order tracking, discounts.

Training

To let customers achieve maximum performance and maximum safety from their machines, IMA organizes technical training courses for the customer's R&D, production, process and maintenance staff. The training, which can be given at the customer's premises or at IMA's, provides for different levels of competence and is taught by experienced IMA fitters or after-sale inspectors.

Remote assistance service

IMA's remote support service enables effective communication, quick response and monetary savings for the customer. Using a secure connection, which is possible through a router located inside the customer's machine, IMA's engineers are able to work directly from the headquarters on machines installed at the customer's plant. Each intervention is agreed in advance with the customer and data transfer is 100% safe. Furthermore, the package already includes a start-up of four hours. Any further intervention has to be agreed with the relevant after-sales department and will be carried out after the purchase of one or more 4-hour connection packages. This service allows IMA's technicians to resolve problems quickly, to access the machine system, check the data stored in it and install system updates.



Technological innovation, research and development

IMA's vocation in the pursuit of innovation reflects our strong orientation to be seen as a **solution provider** rather than as a product vendor. This approach has always been a distinguishing characteristic of our Group and has resulted in a strong market leadership position.

In 2014, the IMA Group again invested significant resources in **Research & Development: 36.2 million euros** (in line with the previous year: 37 million euros), equal to **4.2% of revenues**. This item primarily includes the research costs incurred on the technological upgrading and normal revamping of standard products. The balance does not include the cost of development work ordered by specific clients, or the cost of customizing standard products. This expenditure is included in the cost of sales so it is invoiced to the clients concerned.

INVESTMENT IN RESEARCH AND DEVELOPMENT

IMA forms part of the EU's 2014 scoreboard on investments in industrial R&D: this is a report that is published every year by the European Commission, based on a sample of 2,500 companies worldwide, which analyses the main economic and R&D indicators according to the latest published accounts (in this case 2013). In absolute terms, IMA comes in about the middle of the ranking: it is not particularly meaningful to compare the performance of companies that are very different in terms of business sector, size and target markets; however, it is worth pointing out that IMA's R&D expenditure as a percentage of sales (5.3%) is higher than the world average (3.2%). IMA's rate of growth in R&D investment was also higher than the world average: it grew by 10.6% in 2013 and 9.1% in the last three years compared with 6.4% and 3.2% respectively worldwide.

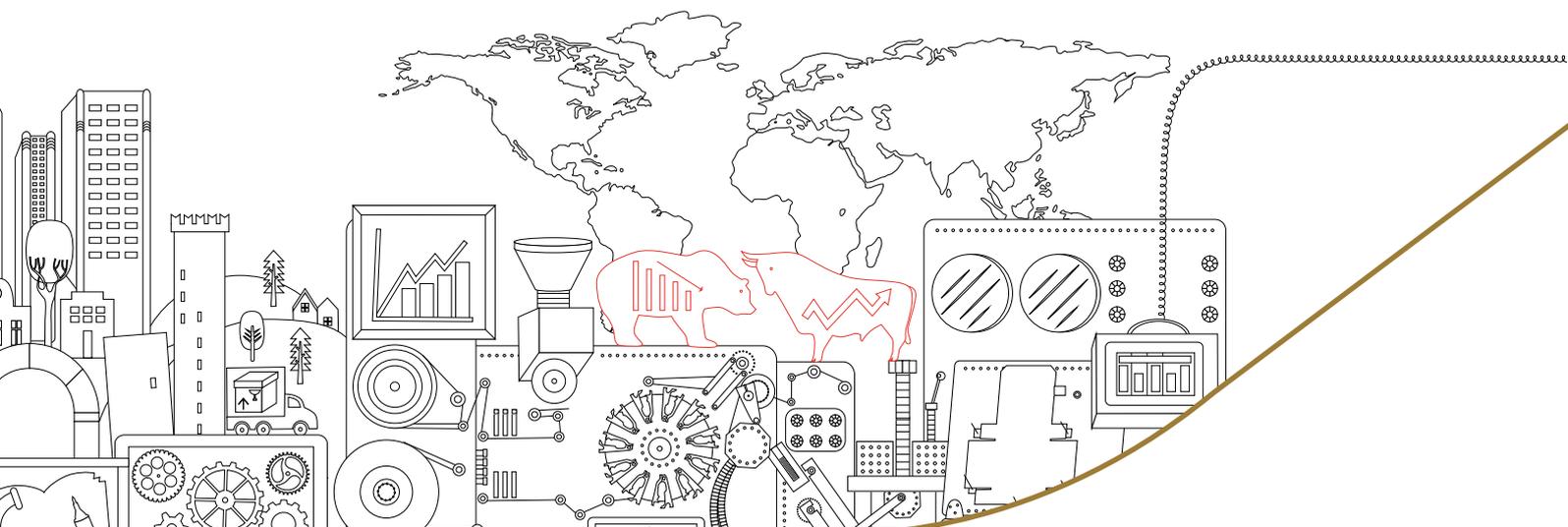
In IMA's Italian companies, about 520 people were involved in R&D during 2014 (studying new process and packaging solutions, mechanical and electronic design, etc.): they worked a total of **880,000** hours for IMA. **There are 1,302 patents and applications for patent in the world**. The purpose of IMA continuously investing large amounts in R&D is to provide end-users with an ever **wider range of products and services with advanced solutions**, sometimes revolutionary, often designed in collaboration with academic institutions and in a spirit of co-makership with the end-users.

The organization of Research and New Technologies

IMA features considerable versatility that has progressively increased thanks to acquisitions. This characteristic represents added value for end-users, especially multinationals, because they recognize the Group's ability to act as a single point of reference for complex projects. Some projects developed jointly by various Group entities or companies are already in place, such as:

- a new high-speed machine for the packaging of capsules: an IMA-GIMA joint development project;
- a packaging machine for compressed non-pharmaceutical products: an IMA R&D - IMA Active joint development project.

To make the most of the Group's so-called "transversal or 21st century skills", since 2015 IMA has been operating a new Innovation structure, which includes the Research and New Technologies department. It reports directly to the Chairman and its function is to strengthen/encourage the introduction of new machine models using the Group's research into new technologies, as well as its cross-disciplinary "soft" skills.



The model adopted by IMA for the development of innovation is of a “diffuse” type: innovations can in fact come from the ideas of individuals, from input by the Marketing Department, from analysing competitors’ machines, from collaborative innovation or from scouting for enabling technologies. The peripheral R&D departments mainly make use of mechanical and engineers and technicians, electronic engineers, computer analysts and automation experts.

Continuous education on technological innovation takes on a key role in IMA to ensure the dissemination of knowledge and to stimulate new ideas. For this reason, new recruits for the R&D Department are trained and updated on technology topics of interest to the department, such as real-time operating systems, on the product Software framework for the use of PCs as machine controllers, on mechatronics, on the development of industrial Software for automatic machines, on the use of microwaves in measurement applications, and on ultrasonic technology in applications that involve the welding and softening of plastic materials.

The mechanical engineers in research and development start their own activity first with specific courses in 3D modelling and then, at a later stage, their knowledge is integrated with notions and courses on kinematics, dynamics and structural analysis. The key to an innovative design office is to stimulate the interest and desire for knowledge of all those who interact on a new project. Innovation, in fact, comes not only from ideas developed internally, but also from new solutions proposed by suppliers of commercial components and the craftsmen who supply IMA. These entities, working for different companies and sectors, have a transversal vision that they put to good use when working with designers to develop unique solutions. The designers then follow the machine, having worked on its architecture, also in the later stages: industrialization and customization takes place at the technical office of the production department where there is a sort of contamination of design ideas when the project comes into contact with the younger designers.

In addition to research aimed at developing new machines and technologies, IMA intends to further increase collaboration with universities and research centres, taking greater advantage of regional and European financing opportunities: in this way it is possible to reduce the time to market and increase the technology base available to IMA’s engineers, as well as test new technologies of potential interest to the sector, and identify and select young employees (electronic engineers, including specialties such as automation and computer science, management engineers, IT experts).

A few examples of research projects:

- Use of laser technology for the localized surface hardening;
- Modelling compliant joints;
- Development of contactless power transmission systems;
- Use of robotic systems to assist packaging machines.

Some examples of these active collaborations in 2014 are:

- PhD for the development of a power and signal transmission unit.
- Faculty of Engineering of the **University of Bologna**.
- Department of Architecture and School of Engineering and Architecture, University of Bologna - Industrial Product Design Course.
- **University of Parma** - Degree in Chemistry and Technology.
- Project with the **Ministry of Education, University and Research**, in which IMA has participated with funding for the development and strengthening of national technology clusters. IMA is included in the Smart Manufacturing Research Observatory.
- IMA is one of the founding members of **ITS MAKER - Istituto Superiore Meccanica Meccatronica Motoristica e Packaging**, the heart of Emilia-Romagna’s mechanical and mechatronics technology hub. IMA contributes by means of in-house training courses and by hosting students in the production departments for first and second year apprenticeships.
- **Università degli studi di Ferrara**: diagnostic and



prognostic maintenance of automatic machines through remote monitoring of data collection and analysis.

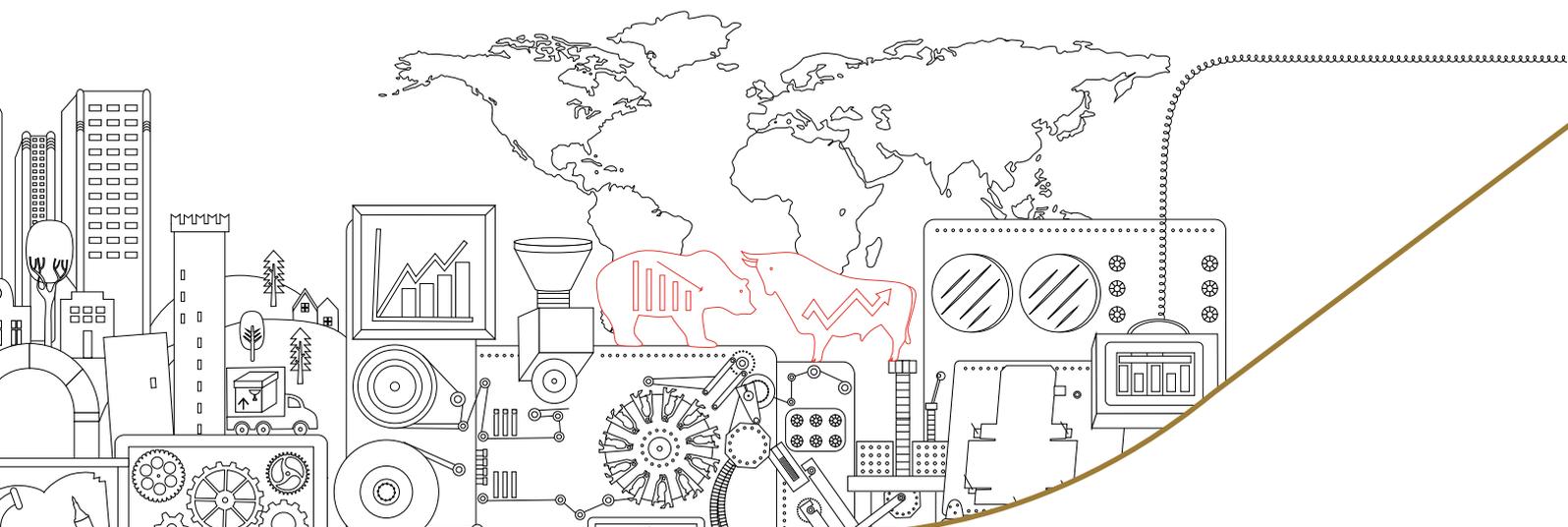
- **RF Microtech, a Perugia University spin-off:** a project for the real-time measurement of the net weight of drugs contained in capsules.

IMA, CRIT and LIAM

IMA forms part of the historical nucleus of founder companies and members of **CRIT (Centre for Technological Research and Innovation)**: a private company specializing in the research and analysis of scientific and technical information and in the development of research projects. For the last 15 years, IMA and CRIT have maintained a cooperative relationship that is reflected above all in the field of collaborative innovation, one of the cornerstones

of CRIT's mission statement. In this context, IMA and CRIT have been able to translate the collaboration among regional companies with a high level of innovation into what have become today's best practices for innovation in the industrial and entrepreneurial world in that part of Italy. Just one example of a success story which is a real milestone in the history of relations between companies: the creation of **LIAM (Industrial Laboratory for the Automation of Packaging Machines)**. LIAM focuses on aspects of the automation of automatic packaging machines, which are of interest to its members and their customers. This allows students who want to develop their thesis in the laboratory to be already in contact with the working world, acquiring the know-how that they need. For graduates who wish to extend their knowledge of specific subjects by working in the laboratory for a few years, it is an opportunity to gain a high-quality specialization that is much appreciated by the companies involved.

PATENTS FILED AND GRANTED IN 2014 (out of a total of 1,302 of patents and patent applications pending worldwide)



Innovation in IMA: some success stories

Innovation at IMA is mainly incremental, but there are also cases of **breakthrough innovation**, not necessarily applied to the architecture of an entire machine, but to individual elements of the machine.

Development continued during 2014 on several entirely new product families, thus expanding the Group's product range, e.g.:

- MYLAB: flexible laboratory machine; by changing a module, it can switch between granulation and coating.
- PRACTICA: cost effective 100,000 capsules/hour.
- XTREMA LARGE VOLUMES: filling containers from 50ml to 1,000 ml; it introduces a mass flow meter for the precise measurement of dosages.
- XTREMA POWDER: powder doser with multiple doses for new antibiotic formulations.
- SMART POWDER: doser for liquids and powders that is cost-effective and with a small footprint.
- C360: deep thermoforming machine for trays. Com-

binated with a "DYNAMIC" cartoning machine, it forms a compact and highly flexible modular line. Thanks to a modern robotic system, it is able to manipulate ampoules, vials, syringes, etc.

- CT30: single-pouching machine for synthetic materials with ultrasonic welding.
- C58: a cost-effective single-pouching machine with a small footprint.

The costs capitalised during the year in relation to the projects for the Tea, Pharmaceutical and ILAPAK segments amounted to 7.5 million euros (3 million euros in 2013).

IMA's innovative capacity is based on a history of real success stories in the field of applied research for automatic packaging machines.

THE MAIN STAGES OF INNOVATION AT IMA

IMA made the first tea-bagging machine **IN THE 60S**; it was already a minor revolution compared with the systems used at the time: it was a type of automation that integrated various functions, ensuring a lower use of space and better ergonomics.

When, in the **SECOND HALF OF THE 70S**, IMA entered the pharmaceutical packaging market, this principle of functional integration was applied to its first blistering machine, which contained in just five metres what competitors needed twenty metres to achieve. This innovation allowed IMA's customers to reduce costs and use fewer operators, with considerable advantages in terms of logistics and efficiency.



Another crucial innovation took place towards the **END OF THE 80S**, when the C90 literally changed people's point of view on automation. This new blistering machine was in fact a "wall-mounted" machine, i.e. installed vertically, whereas the others that existed at that time all operated horizontally. With this development, which ensured significant production benefits, IMA traced a new path, given that since then our competitors have also conformed to this standard.

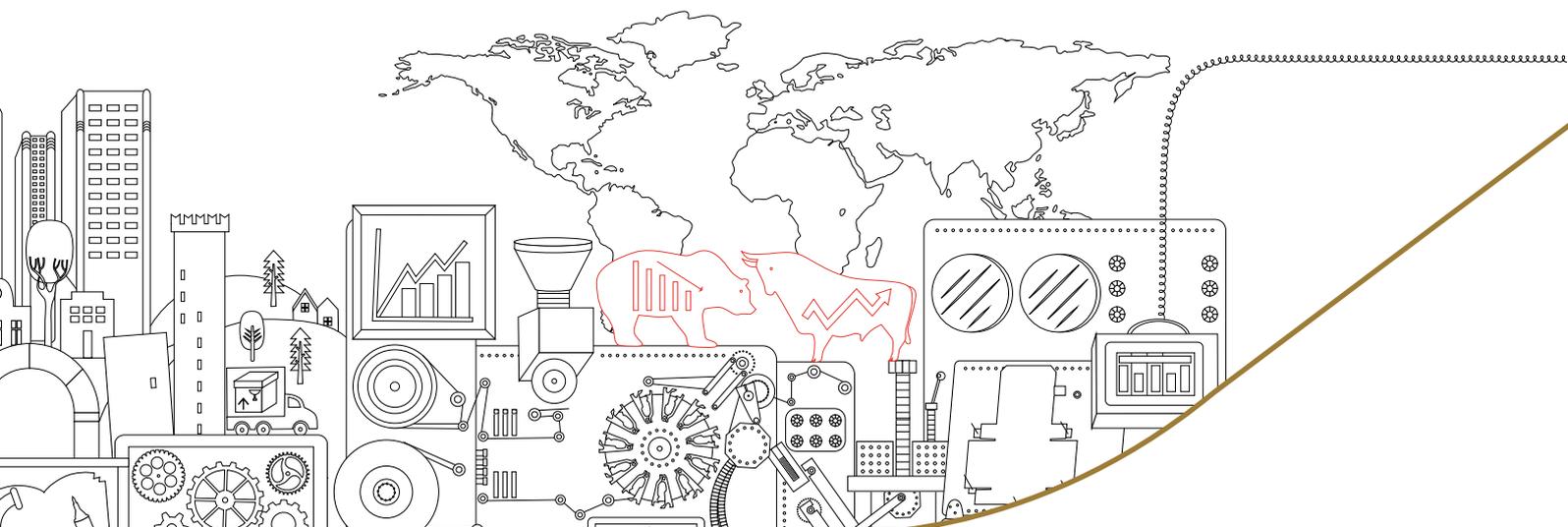
THE 90S saw the arrival of Comprima 300, a tablet press machine able to produce 300,000 tablets per hour. This is an example of an "almost breakthrough" innovation, which influenced machine architecture by applying highly innovative concepts. Two completely new and important concepts were applied in creating this machine: powder feed and dosage by centrifugal force and direct washing of the machine possible at various levels of complexity.

AROUND 2000 another important innovation was introduced, anticipating what is now a well-established trend: the use of PCs, in a version suitable for industrial environments, such as in the control electronics of processing and packaging machines.

In the **LATE 90S** IMA revolutionized the market for tea bags by changing the system by which the string was attached to the bag and the label, doing away with the staple. This breakthrough innovation made it possible for the filter bag to be compostable and reduced the number of packaging materials.

AT THE BEGINNING OF 2000S, still in the field of tea bags, machines were developed that used ultrasonic technology to weld the wrapping materials together. This technology allowed the use of different types of filter materials compared with those used normally, as well as the chance to make pyramid-shaped bags.

IN THE LAST FEW YEARS, IMA has invested more and more in flexibility, modularity, multiple doses, a wide range of formulations and efficiency. This is the case of Adapta, Xtrema and Giant for the pharmaceutical industry. In the area of food, IMA completed its presence in the coffee sector thanks to a multi-line, medium-speed, pod-filling machine with improved accessibility and ergonomics compared with its competitors, with solutions that will be extended to the recently acquired Dairy sector.



VIDEOWALL: PRESENTING INNOVATION IN A SUSTAINABLE WAY

Using a specific technological platform, **videowalls make it possible to present IMA's innovative solutions in a virtual, but very realistic way.** It has long been the desire of many companies in this sector to virtualize the automatic machines to be displayed at events and exhibitions: IMA managed to achieve this milestone quickly, thanks to its research, experience and expertise.

Videowalls make it possible to replace a real packaging line with its digital representation, thereby overcoming the physical limits of the exhibition events. For example, thanks to videowalls, **entire product ranges or complete lines**, that would be impossible to put on the stand for reasons of space and availability, can be presented. Or, we can demonstrate in slow motion the mechanics of certain machines that operate particularly fast and that otherwise would not be visible to the naked eye. Videowalls also make it possible to exhibit machines that pack those kinds of products that cannot be processed outside of production plants because of hygiene regulations or because the systems are too complex to operate elsewhere.

A single videowall can hold entire packaging lines: the energy saving and reduction of environmental consumption that derive from it for the same number of machines "exhibited" at a trade fair is considerable, thanks to low power consumption, fewer vehicles needed to transport the equipment (with a reduction in pollutant emissions and traffic), and less packaging and consumables. If we multiply these benefits for the dozens of exhibitions that IMA takes part in each year, the videowall project is able to guarantee a **significant reduction in energy consumption and emissions**, a small but important step towards preserving the environment that surrounds us.

Virtual stands were installed for the first time at the 2013 edition of the Packology exhibition. Its success continued in 2014, when IMA exhibited nine huge videowalls at **Interpack** and smaller numbers at other fairs. In 2015, the videowalls were particularly visible at **Achema**.

NEW MATERIALS

The growing acceptance of sustainability policies by companies means having to find innovative ways of improving product performance and reducing environmental impact: as a consequence, this is also reflected in the use of new packaging materials, especially in the food chain. One of the points that IMA is working on in collaboration with our customers is the **use of compostable packaging materials.** Currently, these materials, which are still being developed, are seldom used for packaging, mainly for reasons of cost, but also because they are more complicated to use. It is therefore essential to involve IMA during the development of these materials to identify the most suitable packaging solution for the customer.



Quality

Integrated quality and regulatory compliance system

In order to ensure the highest level of service to its customers, IMA has adopted a **system of quality management that focuses on processes**. This has made it possible for IMA to offer its end-users maximum transparency in the execution of the various phases of the project. This allows us to deliver highly complex solutions on schedule, while maintaining a simple and flexible organizational structure.

For this reason, IMA has long obtained **ISO 9001** certification of its **Quality System**, which covers the entire product life cycle, from research and development to sale, delivery and installation, all the way through to after-sales support. Particular attention is paid to the design control, which is crucial for the quality of the end product. The Quality System has been designed and implemented to achieve the objectives of centrality and flexibility, i.e. to have the possibility to adapt to the specific characteristics of the market and the organization of the individual divisions and companies, while retaining the general guidelines and a system unique to the entire IMA Group. This facilitates inclusion in the Quality System of the new companies that become part of the IMA Group as a result of acquisition, and their harmonization with the "world of IMA". For example, in 2014, after having integrated Corazza, GIMA and IMA Industries' BFB Division into the Quality System, a project was commenced (with a target completion date in 2015) to integrate a number of foreign companies into the same system for the first time; in particular, IMA Life North America and IMA Life Beijing, which produce machines for the pharmaceutical sector.

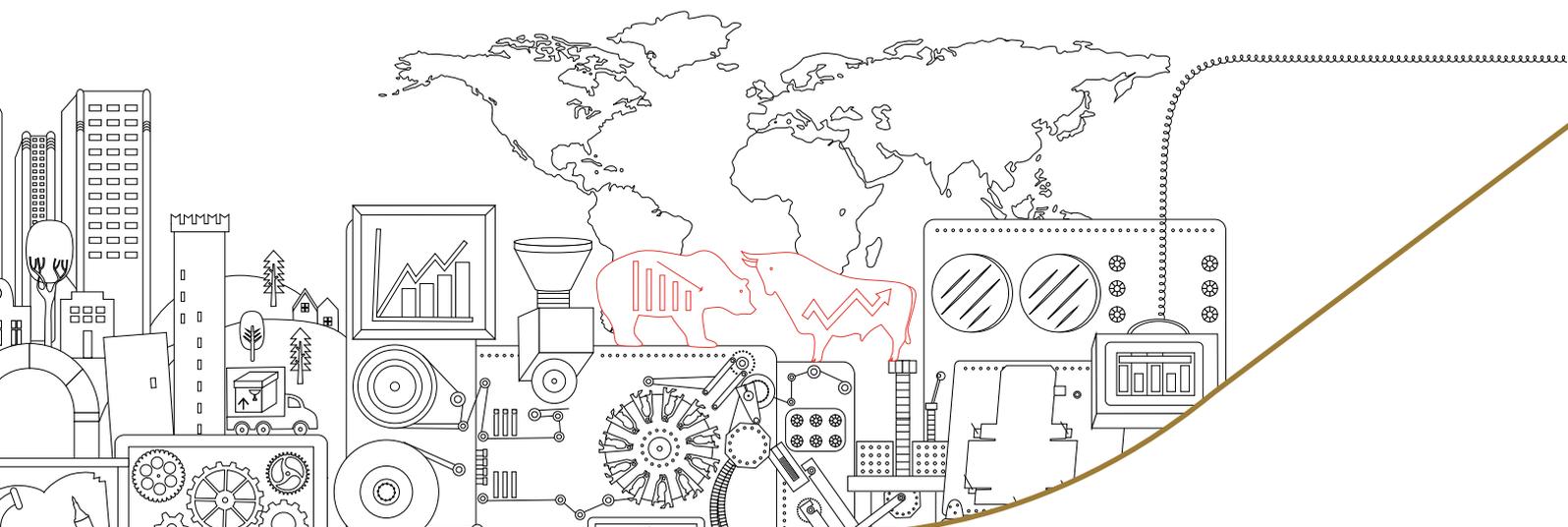
As part of the innovation of processes and of the technological systems used to support them, the **customer relationship management (CRM) and electronic document management project** was launched in 2014. It will make it possible to adopt a sophisticated CRM platform

that is used by the sales and branch network and integrated with the Company's Enterprise Resource Planning (ERP) system. This platform will also make it possible to acquire and monitor more structured and detailed information and data, which is fundamental for IMA to measure the quality delivered to its customers.

The internal technical regulations are not limited to incorporating the minimum requirements of local legislation, but extend to various areas where it is important to follow **precise international standards**, starting from the mechanical and electrical design, up to the internal and external production processes and packaging of the products. The **level of training** and **motivation of the technicians** involved in the various stages of the work (design, manufacture, assembly, installation, support) have a major role in achieving high standards in products.

Quality assurance and compliance with procedures is ensured by a continuous **internal audit plan** which, on an annual basis, involves the companies and divisions involved in the IMA Group's Quality System. In 2014, **11 internal audits** (12 in 2013) were carried out with the participation of 17 different auditors from various areas of the company, previously qualified by the Quality Assurance Area.

"Quality" also means ensuring the best safety conditions when the machines are being operated by the end-user: IMA pays particular attention to the analysis of risks related to safety, implementing it during the design phase for all machines on the market, in accordance with the applicable regulations (primarily, the Machinery Directive valid for the European Community). This leads to the preparation of a technical dossier that contains an assessment of the risks involved and the measures taken to eliminate or minimize them. In addition, 2013 saw the start of monitoring of non-conformities found during use, which have an impact on the safety of IMA's machines.



> Integrated Management System

IMA has chosen to integrate ISO 9001 certification with sector-specific regulations:

- Standards such as **GMP, GAMP and food compatibility** are part of the IMA Quality System to offer end-users the highest possible level of compliance with industry best practices
- Currently, IMA is a member of the Steering Committees of **ISPE Italia** and **GAMP Forum Italia** and takes part in the drafting of life cycle guidelines for the development and approval of machines for the pharmaceutical industry
- **Product safety** is a key objective for IMA, and for this reason we follow and monitor all binding regulatory aspects such as the EU Machinery Directive and related regulations, in order to ensure that all IMA machines fully comply with legislative requirements.

In relation to this, it is worth mentioning the various activities being performed by the Quality Assurance function to develop a reference database for the certification of materials used on the machines in contact with the product (for food and pharmaceutical compatibility), which can be used by all Group companies and divisions, and the creation of patterns of correlation between the regulations to which customers are subject (GMP, GAMP) and the IMA Quality System, in order to facilitate dialogue with its customers, and identify any areas for improvement and system development, all in order to meet the expectations of customers.

To further protect end-users, ensuring business continuity, IMA has adopted the “**Disaster Recovery Plan for IT Systems**” (updated in June 2014): it is an operational plan to prevent disasters such as accidents or natural disasters affecting computer systems, leading to loss of data, or even interruption of business.

Regulatory and technical know-how

Study, updating and interpretation of technical regulations, whether binding or voluntary, above all the EU Machinery Directive: this is handled by the **Quality & Compliance** function, which develops internal procedures with guidelines for the practical application of regulatory requirements. The aim is to facilitate and standardize their application in all divisions. In addition, IMA carries out periodic cycles of internal training for all technical offices and assembly departments involved.

IMA is also an active member of the Technical Committees of **UCIMA - the Italian Association of Automatic Packing and Packaging Machine Manufacturers and UNI** - where the proposals for revision of international standards for the world of automatic machines are discussed at a national level. This is to make an active contribution to the technical content and to remain at the forefront on such issues.

In particular, during the course of 2014 we provided 7,100 hours of training to 610 people on: the GMP regulations, GAMP and software validation regulations, the machinery and technical documentation directive, quality and ISO 9001, the food compatibility directive and ATEX.

Technical updates from an analysis of regulatory changes and innovations introduced by IMA represent a wealth of information and know-how that the Group makes available to end-users, meticulously preparing the documentation supplied with the machine: on the one hand, the compulsory technical **documentation**, such as the Instruction Manual for the use and maintenance of machinery (with particular regard to safety warnings) and the Parts Manual; on the other hand, as regards the pharmaceutical market, supporting documentation for the validation of equipment in accordance with regulatory guidelines (FDA, EMEA). For this last aspect, IMA has laid down internal procedures for managing the life cycle of the control software of machines according to GAMP guidelines, including the risk analysis to ensure a test protocol that is optimized and focused on the critical areas.





For many years, IMA has been a member of **ISPE Italia** (Association of professionals engaged in the manufacture of pharmaceutical products) and regularly participates in conferences organized by **ISPE**, which are also attended by representatives of the pharmaceutical industry.

IMA is a member of the Steering Committee of **GAMP Italia** and participates as a speaker at specialist conferences on the validation of machinery.

End-user satisfaction

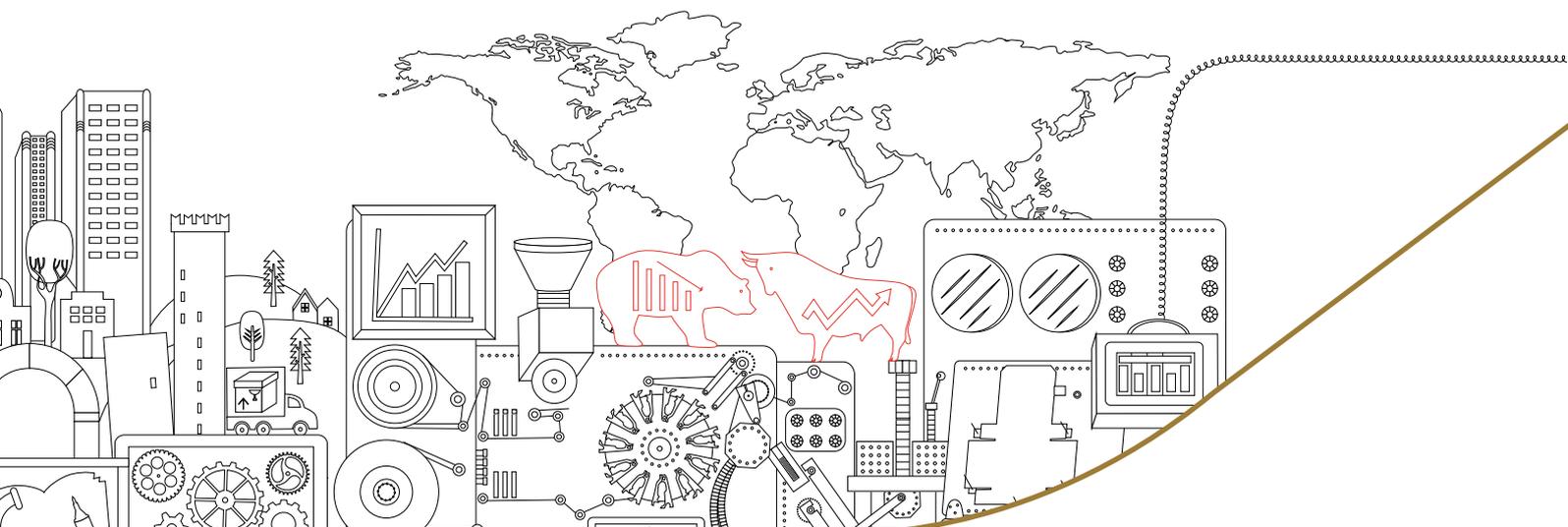
Listen to understand. Understand to act. At IMA, end-user satisfaction is constantly monitored. Measuring it is up to a monitoring system that detects over time through a number of indicators the level of quality delivered (degree of compliance with the requirements of the products/services) and level of quality perceived by the end-user. The tools used for these measurements are:

- audits carried out by the end-user as part of the qualification process of IMA as a supplier
- management and minimization of complaints and disputes
- holding down the warranty costs/sales ratio
- surveys carried out directly at end-users' premises to evaluate the level of satisfaction with the products and services offered For this purpose, specific questionnaires are prepared on different aspects of supplies when carrying out Factory Acceptance Tests (FAT) at IMA, and Site Acceptance Tests (SAT) at the end-user's premises.

The customer satisfaction questionnaires have been in use for a number of years: the 2014 figures indicate that 30% of the questionnaires were returned to IMA for the Pharmaceutical sector and 27% for the non-Pharmaceutical sector. The average of the scores received for the IMA

Group is 3.8 (on a scale of 1 to 5, where 3 is satisfactory) an increase on last year. Another area of concern for IMA is the **analysis of warranty costs**: the Group started tracking these costs over the life cycle of the various machine models, from the first prototypes to machines already industrialized over the years. The analysis made it possible to focus on machine models needing improvements.

The Company is well aware that a **policy for the prevention of defects** is not only a competitive advantage, but also a way of reducing internal costs. For this reason, IMA undertakes to comply with all product requirements prior to shipment: we prefer to spot any cases of non-conformity while the machine is still at our premises rather than having to resolve the problem at the end-users.

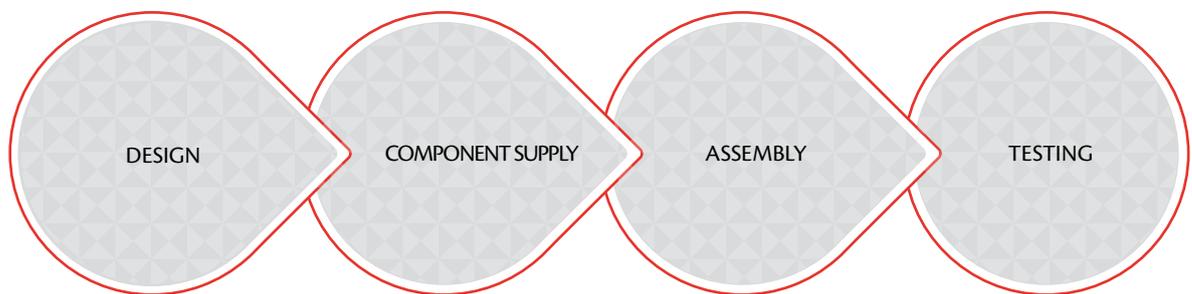


IMA's Supply Chain

In IMA's supply chain, each single company involved in it also has to ensure **high levels of quality and sustainability**. To increase the added value of its offer, IMA has to use selected suppliers and partners, involving them actively in the processes of design, manufacture and assembly of machines. At the same time, the Group monitors the high quality standards requested and the technical and regulatory requirements throughout the supply chain. The goal is to share rigorous methods and standards so that we can then share the successes as well.

In recent years, IMA has adopted a **change of strategy** in the field of subcontracting, especially because of a competitive situation with features that tend to break with the recent past, such as the recession (which threatens above all local SMEs, and so potentially strategic suppliers in our area), the increase in competition also in niche packaging areas, the need to reduce procurement lead-times and keep down the total cost of the product to avoid losing competitiveness vis-à-vis our competitors.

MAIN STAGES IN THE PRODUCTION OF AUTOMATIC MACHINES: THE IMA MODEL



Research and development are considered core activities, so for the most part they are still carried out internally. However, some design work of components and, above all, of electrical circuit boards and software, may be outsourced, especially at times of peak workloads.

This is the operational phase that is easiest to outsource. In the case of mechanical parts, the creation and management of a **network of subcontractors** able to guarantee the delivery times and quality required is of fundamental importance. As regards commercial components, the strategic decision is to combine purchasing and storage at a single central structure.

Some parts of the assembly process (such as mechanical assembly of the basic machine, wiring of the standard electrical panel) can be outsourced to reduce production lead-times.

Subcontractors are unlikely to bring added value in this phase because it involves the fine-tuning of mechanical movements, motion control and verifying compliance with the customers' specifications.



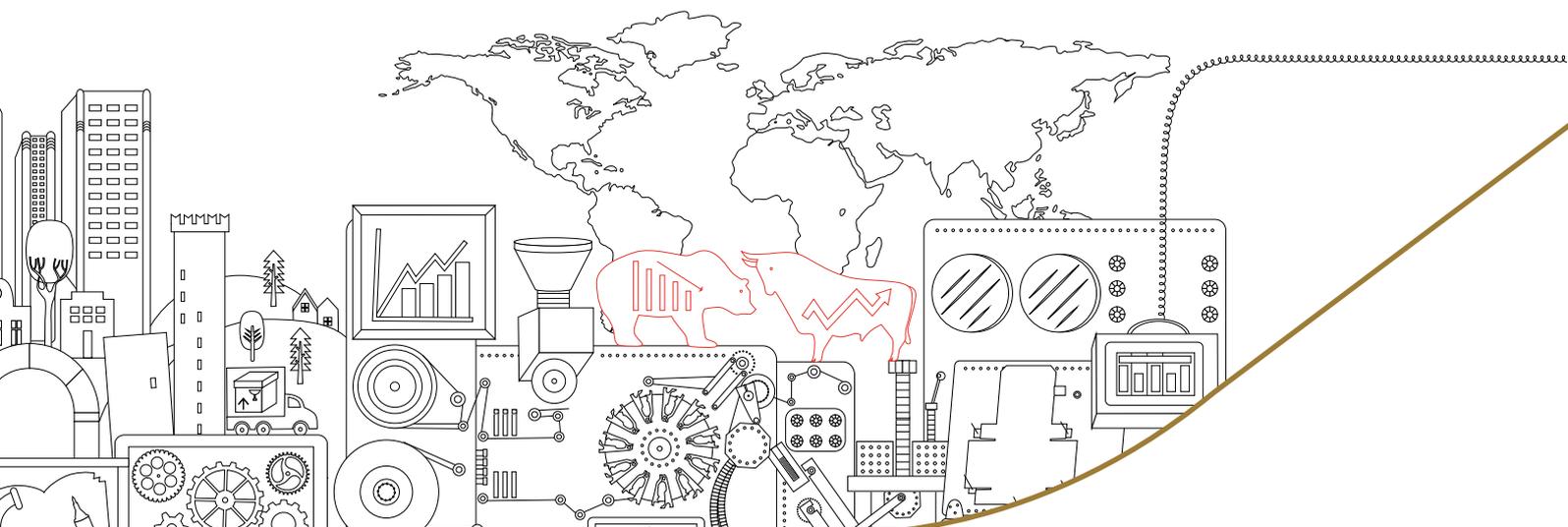
Many of the strong contacts established by IMA in recent years are within its own **industrial cluster**. These relationships sometimes take the form of **minority investments (up to 30% of the share capital) in certain sub-contractors**. These are investments that serve to support the network of small local businesses, an active part of the process of innovation promoted by the Group: they are direct interventions, not only at a financial level, but also at a strategic level, which strengthen the cohesion of the production system and integrate the innovative potential of local players.

IMA also encourages suppliers in which it holds a participation to create **second-level aggregations** with highly-specialized micro-enterprises that risk having to close down, so as not to lose a wealth of knowledge and experience that is the real added value of the Group, where physical proximity is still a very significant plus.

IMA's supply chain is a genuine **corporate network** made up of the following affiliated companies:

COMPANY NAME	HEAD OFFICE	DISTINCTIVE SKILLS
B.C. S.r.l.	Imola (BO)	Precision engineering
Bacciottini Flli S.r.l.	Montemurlo (PO)	Sheet metal processing
Bolognesi S.r.l.	Dozza (BO)	Heavy carpentry work
GAME East	Vrsac, Serbia	Low cost mechanical engineering
I.E.M.A. S.r.l.	S. Giorgio di Piano (BO)	SW programming (e.g. PLC and motion control); Wiring and electrical panels
LA.CO. S.r.l.	Ozzano dell'Emilia (BO)	Mechanical engineering and quality control
Logimatic S.r.l.	Ozzano dell'Emilia (BO)	Management of contracts for complex machines
Masterpiece S.r.l.	Ozzano dell'Emilia (BO)	High precision mechanical engineering for camshafts
Meccanica Sarti S.r.l.	Bologna	Mechanical engineering and boring
Plasticenter S.r.l.	Cadriano (BO)	Safety guards
Powertransmission.it S.r.l.	Villanova di Castenaso (BO)	Transmission components
RO.SI. S.r.l.	Bentivoglio (BO)	Plastics
SIL.MAC. S.r.l.	Gaggio Montano (BO) San Pietro in Casale (BO)	Mechanical assembly
STA.MA S.r.l.	Ozzano dell'Emilia (BO)	Mechanical assembly
3 T S.r.l.*	Gaggio Montano (BO)	Precision mechanical engineering
Verniciatura Dozzese S.r.l.*	Dozza (BO)	Painting and surface treatment

* subsidiaries of companies in the supply chain



Through the development of this corporate network, IMA:

- increases its direct control of suppliers that are considered strategic for their know-how and the importance of the product/service that they offer;
- favours the development of these companies by leveraging the production and financial strength of the main customers;
- facilitates the integration of very small subcontractors through affiliated companies belonging to the network, so as to ensure continuity in critical situations of generational change, thereby contributing to their survival and development;
- helps each company of the network to focus on their own core business by delegating non-core activities to other entities in the network. For example, **the central warehouse of commercial components** supplies the major companies of the network, allowing them substantial savings as the Industrial Group is able to negotiate better purchasing conditions.

For the subcontractor firms, IMA's involvement results in **benefits in terms of access to credit and better payment terms**: the financial strength of the Industrial Group helps SMEs to obtain credit from banks (thus creating the conditions for new investments, otherwise difficult to achieve), to use factoring to collect trade receivables, to obtain advances (paid by IMA as the buyer) in the case of large contracts in terms of billings between members of the network, and, in general, to increase critical mass in dealings with the banks.



Suppliers

IMA works with different types of suppliers:

1. **Manufacturers of components** for the production of machines, which in turn are divided into:
 - Custom **designed** component suppliers, supplying components on the basis of drawings and projects prepared by the Group.
 - Suppliers of **catalogue** components (“commercial”) who provide components that are available in manufacturers’ catalogues.
2. **Project suppliers**, for goods and services closely related to customers’ projects, such as assembly, design, third-party machinery.
3. **Other suppliers (so-called non-manufacturing suppliers).**

In the choice of suppliers, IMA guarantees absolute impartiality and undertakes to comply strictly with the agreed terms of payment (all purchases have always been regulated according to the agreements). In particular, manufacturing suppliers are selected taking into account a **criterion of “proximity”** (partner companies in product innovation, companies operating in the local production district, etc.), identifying the following areas of strategic supply:

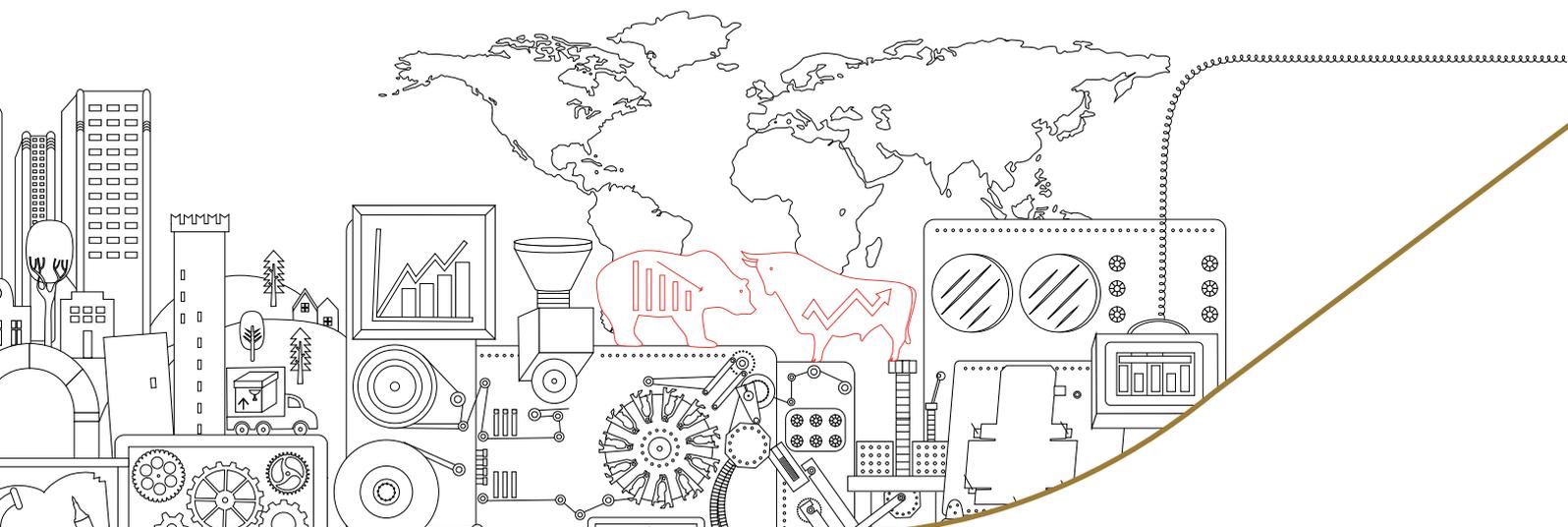
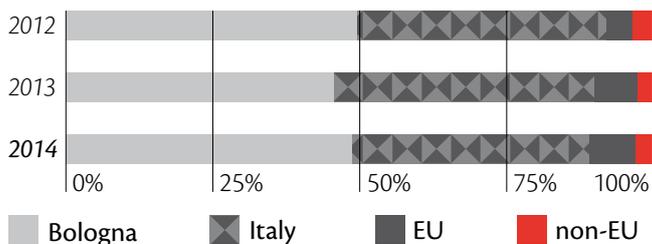
- Custom designed components
- Assembly and wiring
- Catalogue components (commercial)
- Third-party machines
- Design and documentation

Manufacturers of components

The providers of custom designed and catalogue components are clearly predominant in terms of number: **1,915** were available and **1,207** were used in the last year.

The volume of sales in the major categories is distributed in such a way as to concentrate 80% of total turnover around 20% of the pool of active suppliers. Considering the purchases made in 2014 by the Group’s main Italian companies (IMA S.p.A., IMA Industries, Corazza, Gima and Gima TT), which represent around 95% of total payables to suppliers and third parties without calculating the costs incurred for customs duty, employees, vehicles and agents, the amount of revenue paid to third parties came to **309.6 million euros** (+5% on 2013). of this amount, 91% remained within Italy, and **almost half of the total (49%) within the province of Bologna**. 5% and 4% of procurement expenditure were for purchases from EU and non-EU areas, respectively. These figures demonstrate the **value created by IMA for its territory and the local production cluster**. The best companies with which the Group works are in fact rewarded by remaining partners for several years, allowing them to capitalize on the investments they have made in production technologies. The **low “rate of change/replacement”** is therefore the salient feature of the relationship with its suppliers. In this way IMA establishes preferential relationships based on the duration of the collaboration and on mutual loyalty: for example, in **65% of cases, relationships with suppliers last for more than 7 years**. In any case, IMA focuses on the local area for supplies, not only for reasons of logistical convenience and undoubted technical skills, but also to actively contribute to and support the social development of its territory, understood as a “nursery” of excellence to be enhanced with a view to the future: **of 536 suppliers active in 2014, 516 are Italian and 307 (57% of the total) are located in the province of Bologna**.

PURCHASES BY GEOGRAPHICAL AREA



In order to improve collaboration with suppliers, providing a contribution to the supply chain, IMA has adopted and developed a tool for exchanging data to help in the production cycle of components or groups of components. IMA's philosophy is to integrate information flows with suppliers more and more, looking to adopt non-invasive system architectures that involve added value in the simplification and optimization of management activities in support of production. Currently, the direct exchange of purchase orders, order confirmations, delivery plans, non-compliance reports and transport documents takes place via this tool. The project is in continuous development and provides other important exchange features, with all Group divisions gradually getting involved in using it. In order to help develop suppliers' skills, training courses have been organized on specific topics relating to production processes, such as welding and dimensional testing. For affiliated suppliers only, regular meetings are held to keep them in line and update them on the results achieved, on production plans and operational strategies to be pursued.

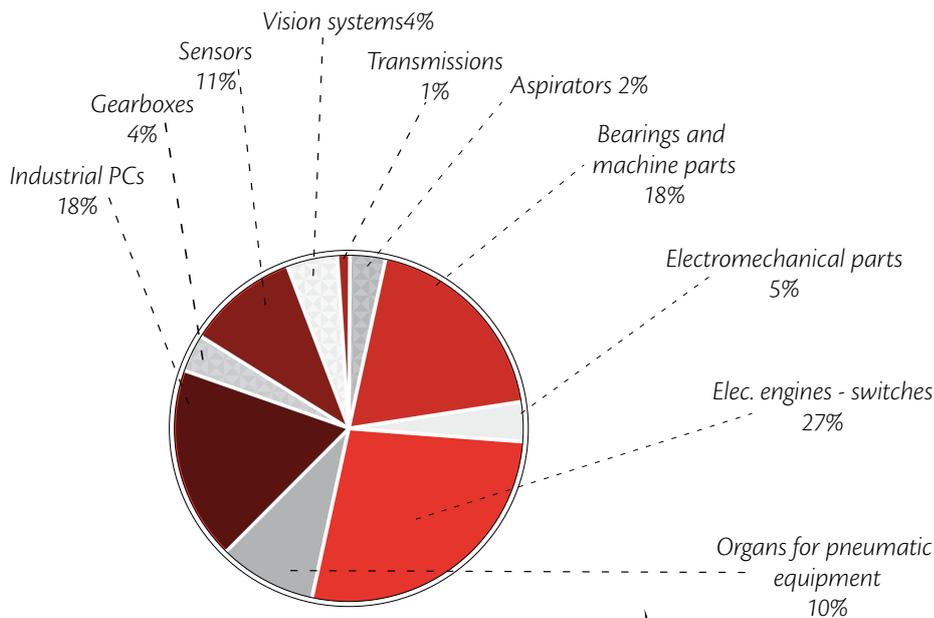
Suppliers of **catalogue components** (also called commercial) are all leaders in their field of competence: IMA has to have the best components (electronic, computer, mechanical, pneumatic, electromechanical) that the market can offer. 76% of catalogue suppliers are **manufacturers** and commercial dealings with them are either direct or through their branches or representatives. 14% of them are **multibrand dealers**, while 9% are represented by **importers** for the Italian market.

In order to guarantee and certify the origin of their machines, IMA requires all suppliers of commercial parts to provide **certification of the origin of individual components**. In Europe, the preferential origin is Italy, followed by Germany. From an analysis of purchase volumes, we can break down the origin of commercial components by geographical area, as follows:

- EU: 75%
- Americas: 16%
- Asia: 9%

The total value of commercial parts bought by the Group exceeds 62 million euros.

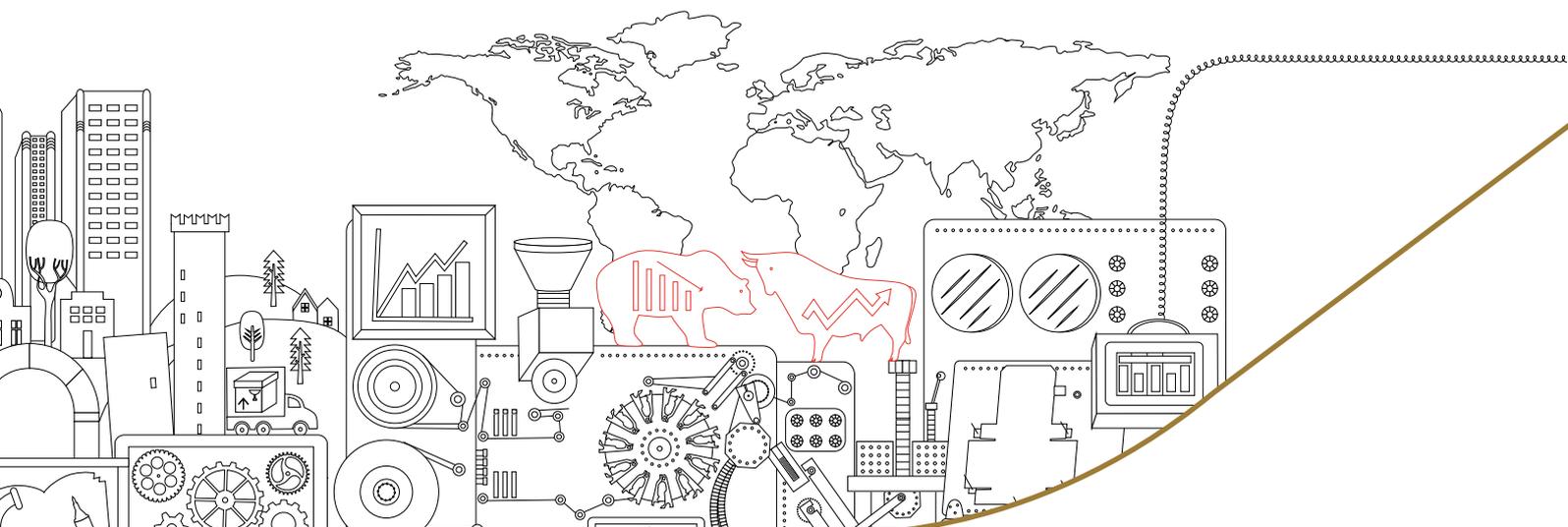
TYPE OF PURCHASES OF CATALOGUE COMPONENTS



INNOVATIVE COMMERCIAL WAREHOUSE PROJECT

The **commercial components warehouse** was launched in 2009 to increase efficiency and reduce the amount of surplus goods being bought by the Group's divisions. Creation of the warehouse allowed the Company to **reduce purchasing costs** through economies of scale and to **increase the level of service** provided to the divisions. Soon after, these benefits were transferred to IMA's main suppliers, who were also able to take advantage of the service provided by the commercial components warehouse. This purchasing strategy has allowed IMA to achieve a critical mass, making it possible to bypass certain levels of the distribution chain, such as dealers, and to obtain supplies directly from the manufacturer with substantial savings. To cope with the rising volumes of stock, in 2014 IMA decided to make a major investment in an innovative automated warehouse: AutoStore.

AutoStore is a system of **storage** and **picking** of individual articles and small packages that takes place by means of a control system of the on-board robots. This automated warehouse system provides storage that is high-density, modular and highly configurable. High density is ensured by stacking the containers, reducing the storage area by 40% compared with the standard solution using Miniload. AutoStore works with a strategy of picking "goods to man", taking the materials directly to the picking station. Thanks to its highly modular design, it is particularly suitable for traditional buildings and therefore also for existing buildings. After installation, it is possible in a few minutes to change the layout by adding storage capacity and increase the handling capacity by adding robots, even with the system running. The availability of the system appears to be very high, compared with traditional systems, as the number of the robots is such that in the event of a failure on the part of one of them, the system loses little capacity in percentage terms.



Supplier management system

The process of qualifying suppliers in several stages:

- **During the qualification of suppliers**, depending on how critical they are, questionnaires are sent requesting information on how organize their design, manufacturing or testing processes, as applicable, to check compliance with the minimum requirements established by IMA. For highly critical suppliers, this “self-certification” is also checked on site by means of an audit performed by IMA.
- **During the relationship with the supplier**, performance is measured in terms of quality, price and delivery, summarized in a **vendor rating**: it is an established methodology which allocates scores that make it possible to measure purchasing performance. Component suppliers are periodically given a vendor rating calculated on the basis of three parameters (in order of importance): quality, delivery, price.
- **Periodically, IMA carries out audits at suppliers**. Depending on the results, IMA establishes corrective action or improvements, and how to pursue them (e.g. by increasing visibility of suppliers’ processes and aiming for joint preventive action, or penalizing suppliers financially if they do not reach their goals).

During the course of 2013, we developed a **new method of qualifying manufacturing suppliers**, which takes greater account of the peculiarities of the different productive sectors (design and commercial components, assembly, design, etc.) in order to make the results more effective. During 2014, **41 suppliers of assembly and wiring, 32 suppliers of third-party machines and 62 suppliers of design and documentation** had been re-qualified under the new approach.

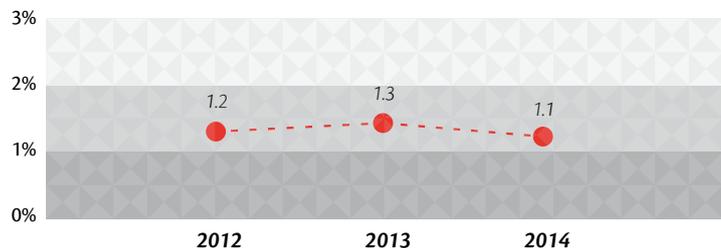
In 2014, for custom **designed component** suppliers, IMA will develop another new method of qualification with the aim of spreading the culture and level of suppliers with regard to quality issues and then transfer part of the testing of mechanical components to them. In addition to providing a level of qualification of suppliers which ensures the quality of supplied components, this method also provides for their training by IMA’s testing staff. During 2014, 17 suppliers qualified for auto-control.

Over the past two years, IMA has increased the effectiveness of its control over suppliers, managing to decrease the average rate of non-compliance by 20% compared with 2013.

RANGE OF RATINGS

Over a range of ratings from 0 to 100, where 60 is satisfactory, the average score of core suppliers was 67 for the custom-designed components in 2014 (67 in 2013) and 68 for catalogue components (67 in 2013).

MANUFACTURING SUPPLIERS: AVERAGE RATE OF NON-COMPLIANCE



Relationship with suppliers of goods and services

The IMA Group also uses so-called “non-manufacturing” suppliers, i.e. companies from which we buy goods and services that are essential for our operations, but that are not strictly related to the process of manufacturing the machines. This category of suppliers includes providers of energy, portorage/logistics services and cargo handling, travel, customs operations, consulting, various types of design services, canteen, corporate car pool, cleaning, rents and buildings, packaging, etc.

We ask suppliers of this kind for their best possible quality/price ratio and, where possible, we tend to give preference to local firms: IMA’s quality system procedures are also applied to some categories of this supplier base, namely those related to the design (mechanical, electrical and software) and packaging of machines.

Overall, the number of these suppliers is around 1,700. In 2014, 70% of non-manufacturing purchases were from a **pool of 600 suppliers**. Together, all of these suppliers received **121.5 million euros** from the IMA Group in 2014.

In 2014 we started several projects to standardize and merge the needs/requirements of the various Group companies, with the aim of increasing the critical mass of the IMA Group toward suppliers, making the purchasing process more efficient. These projects are continuing in 2015.

The following graph shows the main categories of non-manufacturing goods purchased by the IMA Group in 2014, worth a total of more than one million euros.

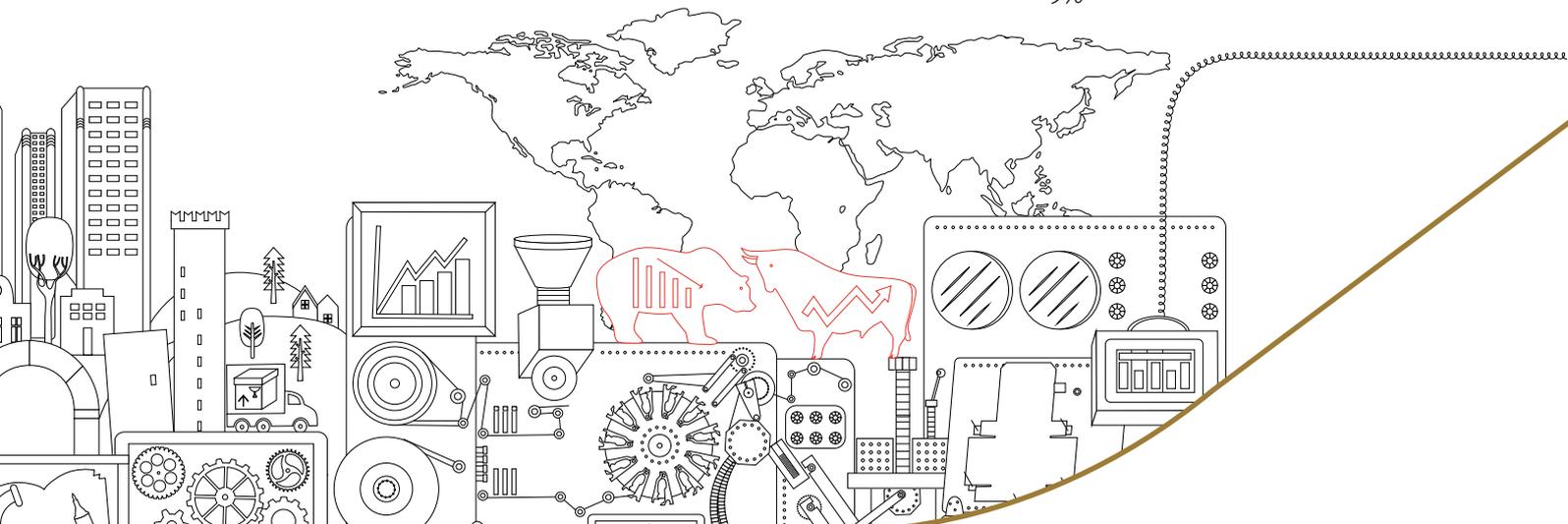
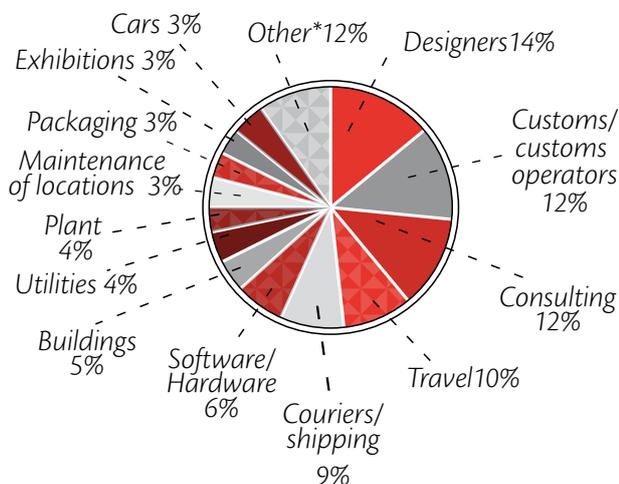
**Other: Portorage, Canteen, Audiovisual Systems, Tools, Patents, Cleaning, Telephones, Plant Safety*

A LOCAL NETWORK OF SUPPLIERS HAS BEEN GENERATED THANKS TO IMA’S NON-MANUFACTURING PURCHASES

An important category of suppliers is represented by personnel of third-party companies who work directly at IMA’s plants (about 250 people each day): these relationships are governed by contracts that meet the standards prescribed by law and require the Contractor to provide IMA all the guarantees required by laws on safety, health and safety, social security, insurance cover at work, regular payment of contributions, etc. Third-party companies also must agree to make their workers comply with IMA procedures and regulations, including the Code of Ethics.

Non-manufacturing suppliers and their staff belong 90% to the area surrounding IMA’s head office (about 50 km).

MAIN NON-MANUFACTURING PURCHASES DURING 2014 (The graph refers to items >1 mn € and covers about 90% of total non-manufacturing purchases during 2014)



EMPLOYMENT

+5%

in the production units in Italy



over

1,400

people have been working for IMA for at least 10 years



of employees have been hired on a **permanent basis**

Equal Opportunities

Steps taken to promote gender mainstreaming

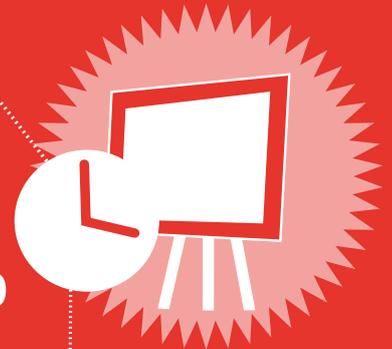


IMA social commitment:



paid in 2014 for donations and contributions

IMA S.p.A.'s supplementary labour contract provides economic and regulatory conditions that are more favourable than the National Labour Contract for Engineering Workers.



55,660

hours of

skills training

11,225 hours of training

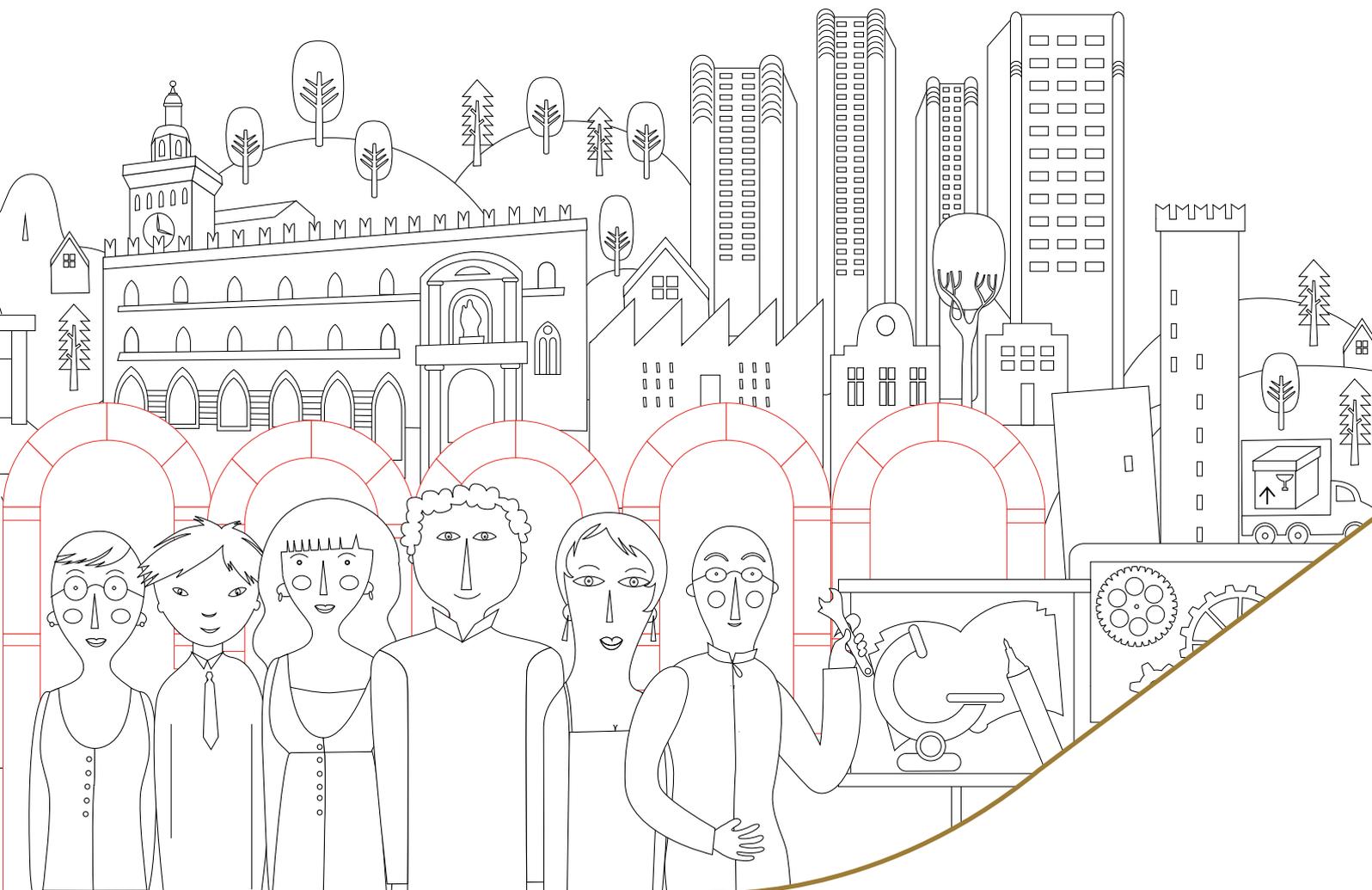
on **safety**



IMA's Quality System is **certified ISO 9001** and integrates all sector specific regulations



Social Sustainability



IMA's people Composition and characteristics



The people who work for IMA are the Group's most strategic and by far its most important intangible asset, as they incorporate all of the Company's skills and knowledge. In fact, for our customers, the IMA Group is not merely a supplier of products that feature highly sophisticated technology, but rather a solver of complex problems via specially designed **solutions that are custom-tailored to meet their individual requirements**. This means that all of our business processes have a very low level of repetition: from preparing bids to making the sale, from design and production to after-sales assistance, from contractual aspects to administrative matters, the proper functioning of each of these processes depends on the initiative of the individuals who work within them and on their ability to collaborate with everyone else in the organization, i.e. genuine teamwork.

Knowledge, skills and professional/human expertise are the assets that the Group intends to develop to ensure its future success. IMA therefore considers proper HR management as a matter of the highest importance and seeks to strengthen the Group's resources in a variety of ways:

- investing heavily and continuously in their professional growth
- providing the best working environment and protecting the health and well being of all employees
- adopting an organizational model with a high degree of participation
- promoting a bonus system based on the rigorous identification and assessment of each employee's merit and the skills that they have acquired
- appreciating differences and different abilities.



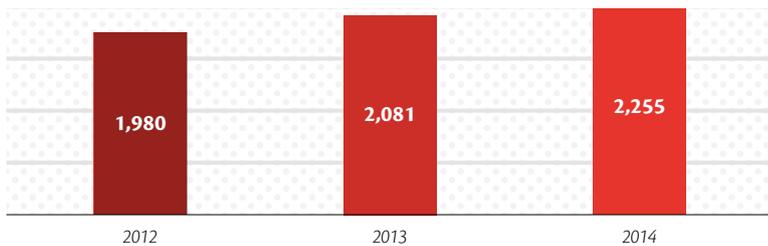
Our willingness to emphasize the importance of the individual is a goal that the Company pursues from the moment that a person first joins IMA. In fact:

- for professionally strategic positions, the selection process is subject to ongoing refinement
- the main types of contract used in recruitment are permanent contracts and apprenticeships, with certification of the training process
- we have sought and consolidated ties with national and international universities and centres of excellence,

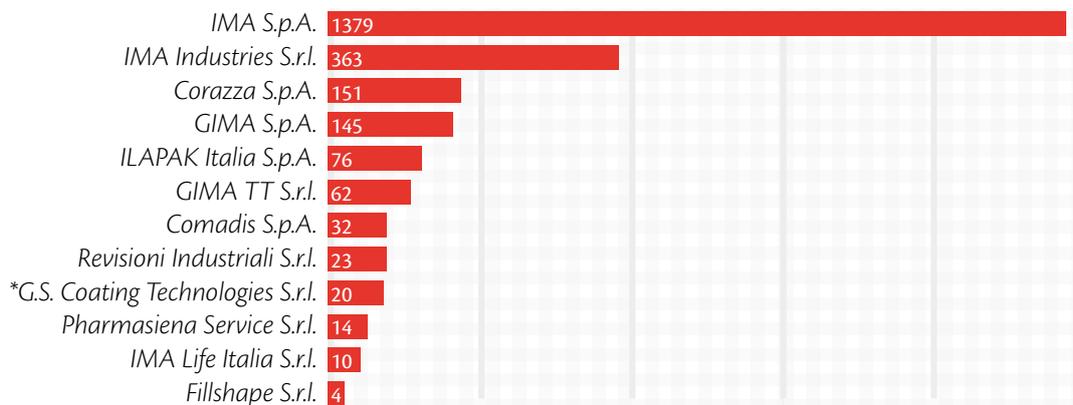
as well as our traditional cooperation with local technical institutes

- we offer extensive training and orientation programs for new recruits that are designed to facilitate entry and communicate the Company's values.

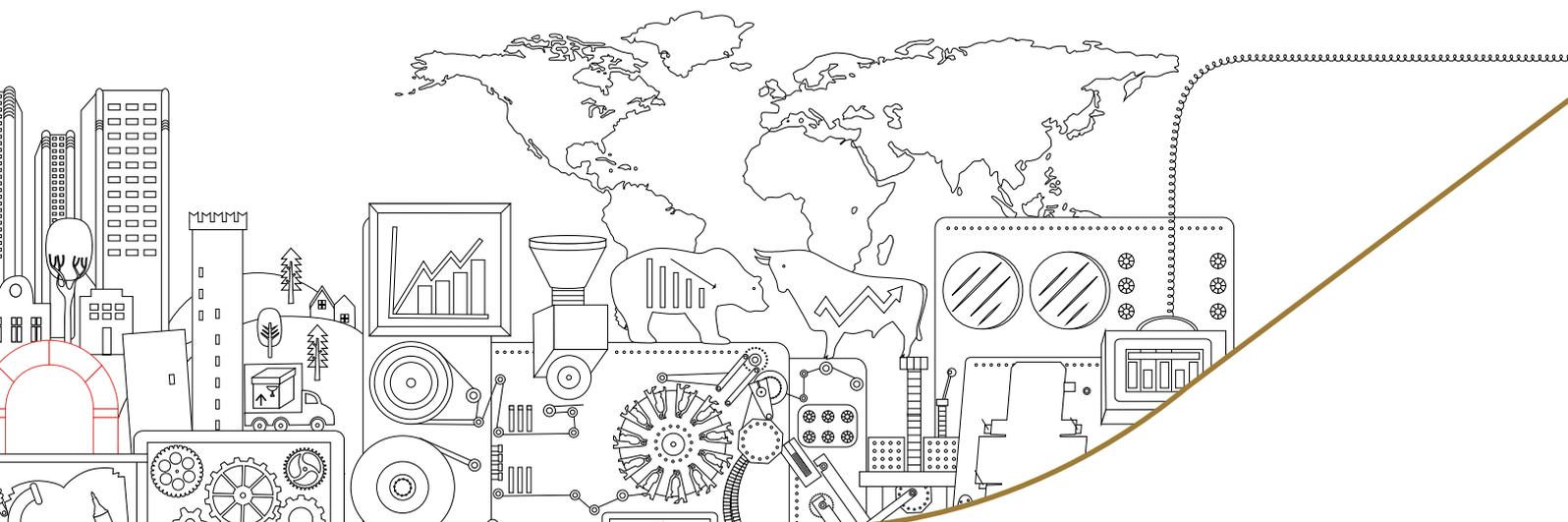
TREND IN EMPLOYEES



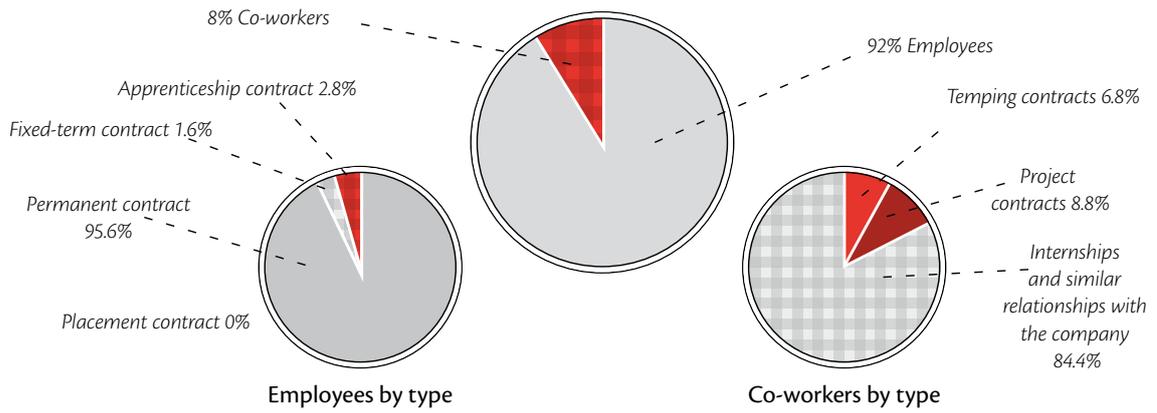
NUMBER OF EMPLOYEES BY COMPANY (figures updated to 31 December 2014)



* New acquisition



TOTAL WORKFORCE 2014



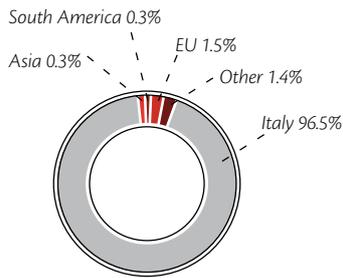
Employees 2014	Men			Women			TOTAL
	FULL TIME	PART TIME	TOT.	FULL TIME	PART TIME	TOT.	
Permanent contract	1,772	7	1,779	291	108	399	2,178
Fixed-term contract	21	0	21	15	1	16	37
Apprenticeship contract	57	0	57	7	0	7	64
Total employees	1,850	7	1,857	313	109	422	2,279

Co-workers 2014	Men			Women			TOTAL
	FULL TIME	PART TIME	TOT.	FULL TIME	PART TIME	TOT.	
Temping contracts	7	0	7	7	0	7	14
Project contracts	18	0	18	0	0	0	18
Internships and similar relationships with the company	152	0	152	21	0	21	173
Total co-workers	177	0	177	28	0	28	205

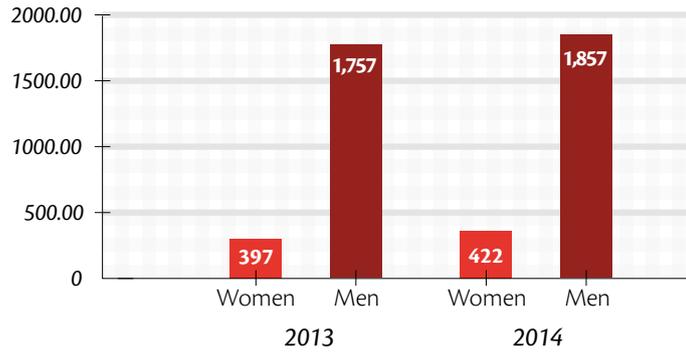
EMPLOYEES BY AGE RANGE



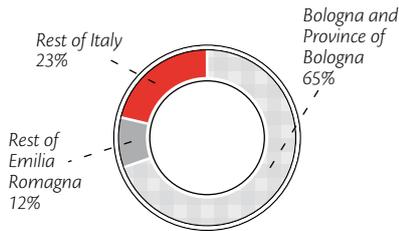
EMPLOYEES BY GEOGRAPHICAL AREA



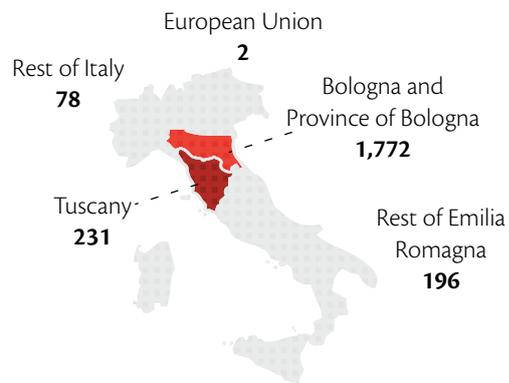
EMPLOYEES BY GENDER



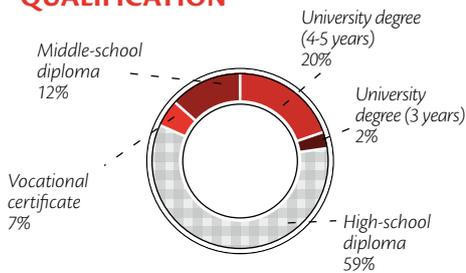
BORN IN ITALY



EMPLOYEES BY PLACE OF RESIDENCE

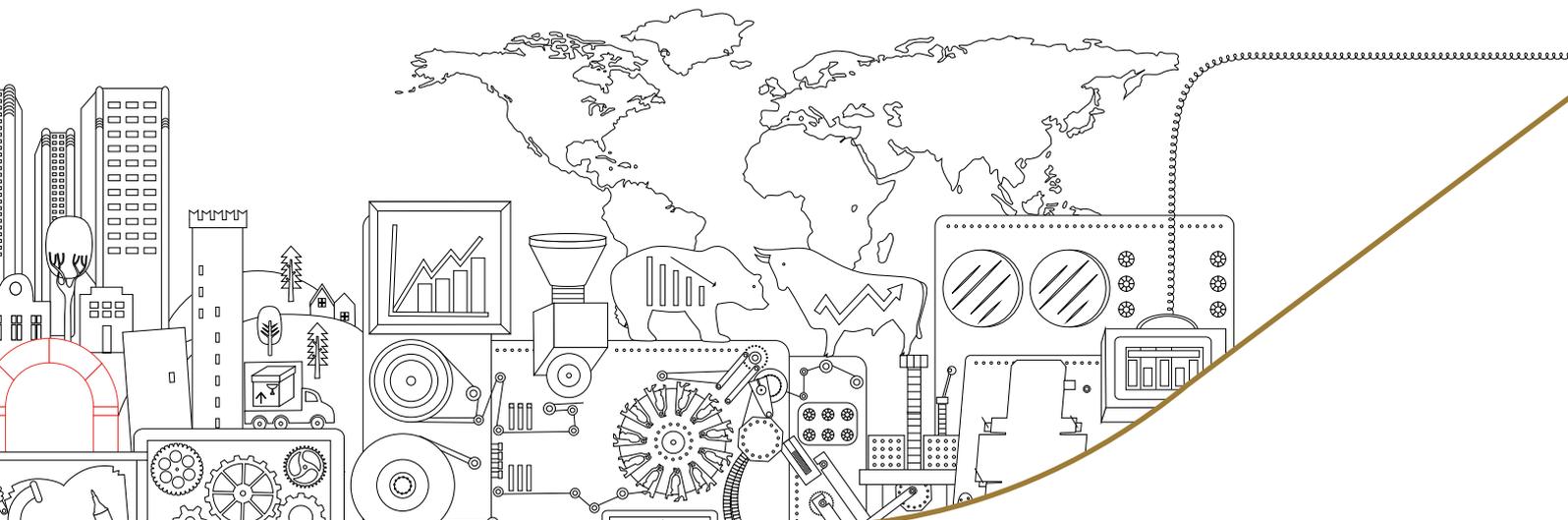


QUALIFICATION



95.6% of our personnel **are hired on a permanent basis** (much the same as the 96.1% in 2013), which is in line with the Company's policy of creating stable, long-term employment for its workers. The use of atypical forms of collaboration has been very limited, also in 2014, for all of the Italian companies (14 temps and 18 people hired on a project basis).

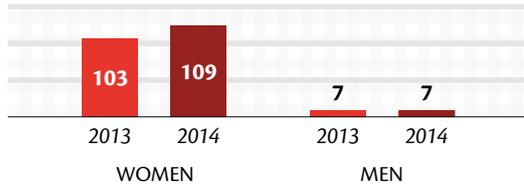
The stability of the employment relationship can also be seen in a **high average period of service**: over 1,400 people have worked for IMA for more than 10 years (of these, over 549 for more than 20 years). In 2014, **13 placement contracts (27 in 2013), 18 fixed-term contracts and 25 apprenticeship contracts were transformed into permanent contracts.**



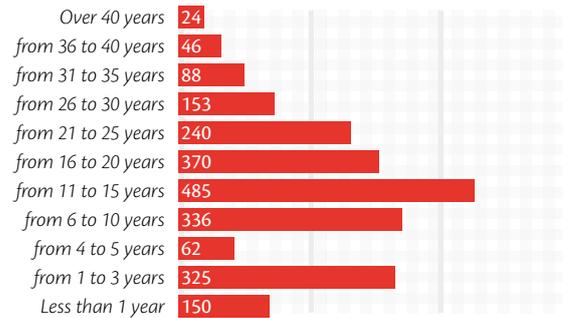
This figure is extremely significant and is the result of the importance given to staff selection, the ability of in-house tutors to involve the latest generation into IMA's work logic and its procedures for checking on training programmes for new hires.

Part-time work has been requested by 5.1% of personnel: 116 employees in total (91 of them are 30-50 years old, 109 are women).

NUMBER OF PART-TIME EMPLOYEES

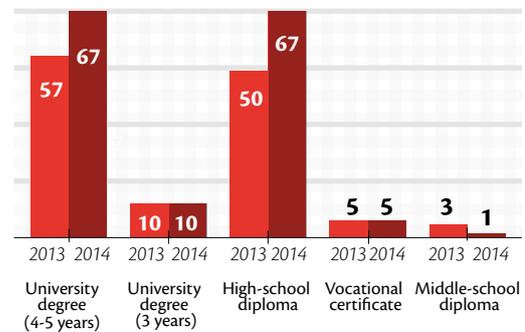


PERIOD OF SERVICE

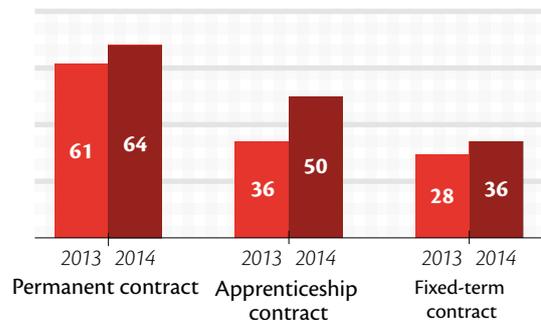


For **new hires**, the IMA Group mostly makes use of permanent contracts. Of the **150 people recruited during the year** (i.e. excluding 16 intercompany transfers), about 43% have been hired under permanent contracts, 33% under apprenticeship contracts and 24% under fixed-term contracts. New hires have an average age of 32, a high level of education (51.3% with a university degree and 44.6% with a high-school diploma) and 21.3% of them are women. The **high level of education** of all Group employees (81.5% have a university degree or high-school diploma) also depends on the process of personnel search and selection, mainly oriented towards school leavers and graduates to be recruited for the production units: new hires attend training courses, generally accompanied by experienced members of staff who will help them in their professional growth, thereby facilitating the changeover of resources in the various positions.

NEW HIRES BY QUALIFICATION



NEW HIRES BY TYPE OF CONTRACT



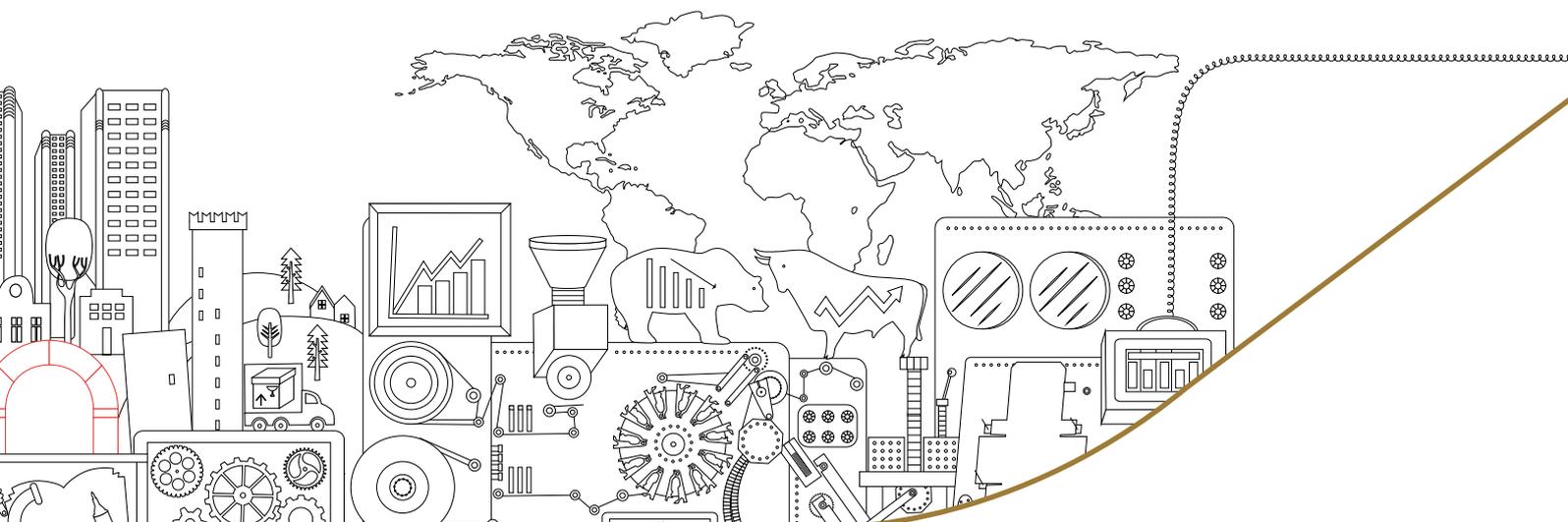
Negative turnover (calculated as the number of leavers during the period compared with the headcount at the beginning of the period multiplied by 100) is equal to 2%. Net turnover has a **positive balance**: during the period under review, 150 new employees (of which 118 men and 32 women) joined the Company, compared with 125 in

2013, whereas only 43 left (net of intercompany transfers). This result is given by the difference between all new hires to handle the increase in business and the amount of retirements (14 people), voluntary resignations (19) and fixed-term contracts expired (10).

	Hiring Rate 2013	Hiring Rate 2014	Turnover of leavers 2013	Turnover of leavers 2014
MEN	4.96%	5.48%	1.22%	1.44%
WOMEN	1.12%	1.49%	0.15%	0.56%
Total	6.08%	6.96%	1.36%	2.00%

	New hires 2013	New hires 2014	Leavers 2013	Leavers 2014
Workplace				
Bologna and Province of Bologna	117	136	25	36
Rest of Italy	8	14	3	7
Age				
< 30 years	59	77	5	9
from 30 to 50	60	68	15	19
> 50 years	6	5	8	15

In agreement with local high schools and universities, several **apprenticeships** and **internships** were held in 2014, as in previous years, **involving a total of 173 young people**.



Contractual matters and industrial relations

In the Group's **organizational structure** in Italy, 17.9% of employees are employed in the Commercial Area, including pre-sales and after-sales activities, 25.5% in R&D, 13.3% in Staff positions (Administration, Information Systems, Purchasing, Quality, Human Resources, Corporate Communications, Exhibitions, etc.) and 43.3% in Manufacturing and Logistics.

The distribution of the workforce is a good reflection of IMA's business model, which is designed to retain the activities that represent critical and distinctive skills and outsource all other activities.

	2013		2014	
<i>Employees by qualification</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>
Manager	2	69	2	71
Middle Manager	17	92	19	100
Office worker	374	1138	397	1208
Production worker	4	458	4	478
Grand total	397	1757	422	1857

The breakdown of employees between the various **contractual levels** shows a concentration at levels 5 and 6 (73.6% of the total); this reflects the high level of specialization that characterizes the Group's employees.



The contractual conditions that IMA offers to its staff are often better than those granted by the sector on average. This takes place by using tools to create favourable conditions for the expression of individual talent, based on a corporate culture that features a system of strongly shared values. Examples of these are comprehensive health and accident insurance, agreements for discounted purchases and the best market terms for numerous aspects of the employment contract (pay, maternity leave, advances against severance indemnities, use of part-time work, etc.).

IMA S.p.A.'s **supplementary labour** contract provides economic and regulatory conditions that are more favourable than the National Payroll Contract for Engineering Workers, without distinction between full-time, part-time and/or fixed-term employees; for example:

- an annual performance bonus which provides for the consolidation of a part of the average amounts paid during the period of the contract
- travel expenses for administrative/commercial personnel and special conditions for travelling fitters and assemblers
- health and accident insurance
- flexible entry hours
- paid and unpaid leave of absence under specific circumstances such as taking care of family members, doctors' visits and therapeutic treatments
- extension of the conditions for granting advances on severance pay
- canteen
- psychological support by a professional and employees qualified for the role of Corporate Representatives.

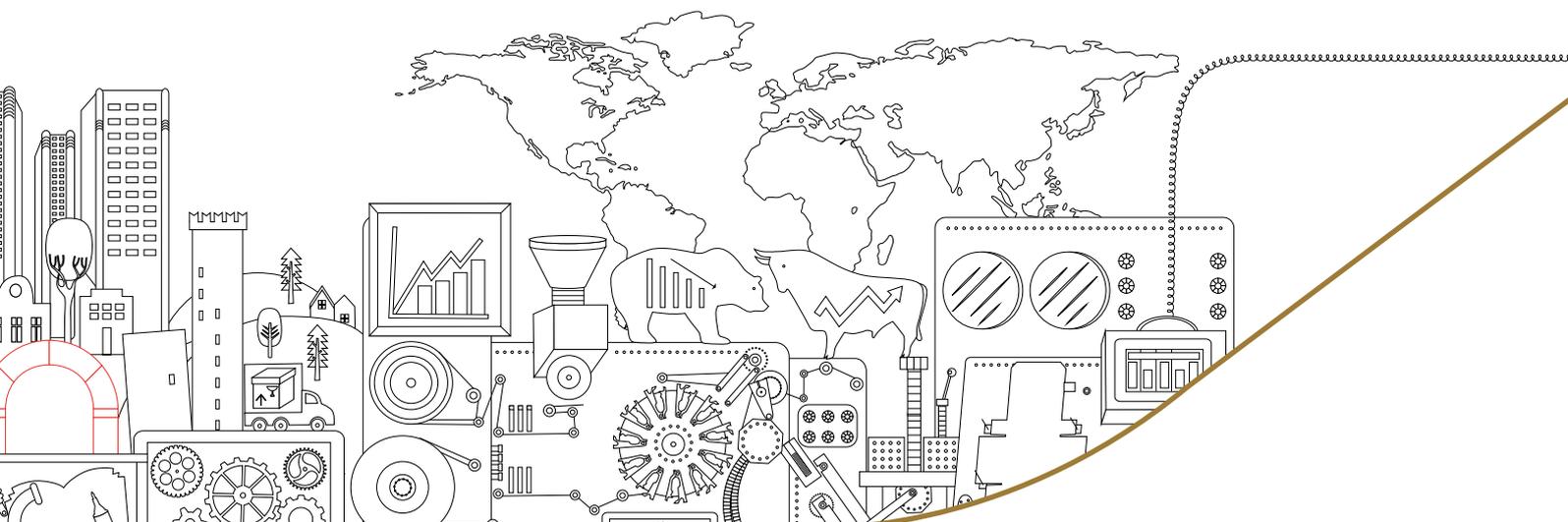
At IMA, Human Resources are managed in an integrated and consistent manner at the various Italian companies: however, it should be noted that the companies in the IMA Group have a number of differences regarding the economic and non-economic contractual conditions offered to their employees, as they joined the Group at different times (some very recently), bringing different styles of industrial relations and in-house labour contracts.

These results have been achieved thanks to the activities of listening and dialogue between the Company, its employees and their representatives (Trade Union Representatives and the Workers' Representatives): in terms of industrial relations, there is very little unrest, and what little there is, generally, is a reflection of nation-wide disputes. This dialogue and exchange of views between the Company and Workers' Representatives take place at general meetings to provide information on the Group's performance and any specific issues, as well as through continuous discussions on topics such as:

- evaluation of issues related to the health and safety of workers
- training plans that derive from the evaluation of training gaps resulting from the assessment of skills
- training proposals by the Workers' Representatives
- enhancement of additional skills.

Dialogue with the Workers' Representatives has led the Company to participate in various social projects in favour of disadvantaged people in the area and to create employment opportunities.

This emphasis by the Group on the individual is reflected above all in low rates of turnover and absenteeism, which are constantly at levels that can be considered physiological. Furthermore, IMA contributes to the development of Human Capital of the territory using a recruitment pool that is preferably local. The same applies at senior management level as well: 79% of IMA's managers at 31 December 2014 were born in Emilia Romagna. This situation is related partly to IMA's choice of social responsibility, which binds it particularly to its local territory, and partly to the presence of widespread, qualified skills that can be found in the advanced mechanics cluster of Bologna and Emilia-Romagna. Even though the level of industrial unrest is low, IMA still manages any work-related complaints or disputes through formal mechanisms agreed with the social partners or through channels expressly provided for under labour regulations: for example, any administrative com-



plaints are usually brought by employees directly to the personnel office or to the Head of HR, who gives feedback and makes any adjustment in the first available pay packet; any disputes are referred, either directly or with the support of the Workers' Representatives, to the HR Department, which handles them directly through personal interviews; disputes of greater importance may come directly through external lawyers; in this case, the Company also makes use of law firms specialising in labour law. The Supervisory Board (Legislative Decree 231/2001) is informed every six months by the HR Department of any disputes resolved by agreements between the parties or by conciliation reports with the trade unions.

Health and safety

The attention to workers' health and safety in the workplace at IMA Group companies is constant and is reflected in the Company's policy, which forms part of the system for the Safety at Work Management System of IMA S.p.A. and IMA Industries S.r.l., signed by the Chairman of the Board of Directors. The values being pursued are prevention, total respect for the law and agreements on this subject, the planning of a system of management of these aspects, monitoring them with appropriate indicators with a view to continuous improvement.

In 2014, the Group achieved an important result in the field of health and safety in the workplace: IMA S.p.A. and IMA Industries S.r.l. have in fact obtained an extension of the BS OHSAS 18001 certification for all sites where they operate. The other Italian Group companies undertook the same process starting in 2015, with different timetables from company to company.

Worker participation at all levels is constantly high, guaranteed by specific health and safety representatives designated by the workers themselves: in total, there are **21 representatives compared with the 16** that are obligatory by law. They collect comments from workers, **performing a representative role**, but also making proposals, bringing ideas and suggestions for improvement to the attention of the Prevention and Protection Unit; they also act as a **guarantee** by taking part in all of the training courses given to new hires. Special meetings are also organized periodically and attended not only by the workers' representatives, but also by the company doctors, heads/employees of the Prevention and Protection Unit, employers and managers.



In order to continuously improve skills and performance in terms of safety, IMA takes part in meetings of the Heads of Prevention and Protection of Bologna and Imola: this is a working group made up of the Heads of the Prevention and Protection Units of the leading manufacturers in the area, with the purpose of sharing management methods (analysis and resolution) regarding issues of common interest in the field of safety at work.

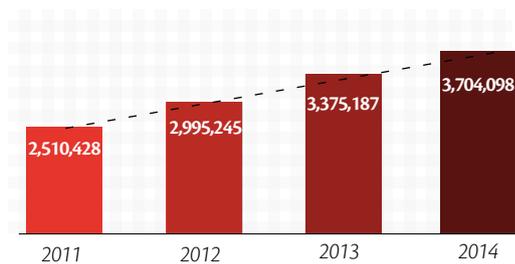
Staff training and involvement are the basis for the entire Safety at Work Management System, **with a view to creating a genuine “safety culture”**.

The total number of hours training provided within Group companies in the field of safety at work **in 2014 came to 11,225** (compared with about 5,000 in 2013). Thanks to this commitment and continued investment in factories, plant and equipment, the trend in accidents is steadily declining and is inversely proportional to the increase in the number of employees and, hence, in the number of hours worked.

There were 10 accidents in the workplace in 2014 (except while commuting), compared with 7 in 2013, out of a total of 3,704,098 hours worked (+10% on 2013).

	Days off due to accidents	Number of accidents	Frequency index	Severity index
Accidents in the workplace (except while commuting)	80.44	10.00	2.70	0.022
Accidents while commuting	88.19	9.00	2.43	0.024
Total	168.63	19.00	5.13	0.046

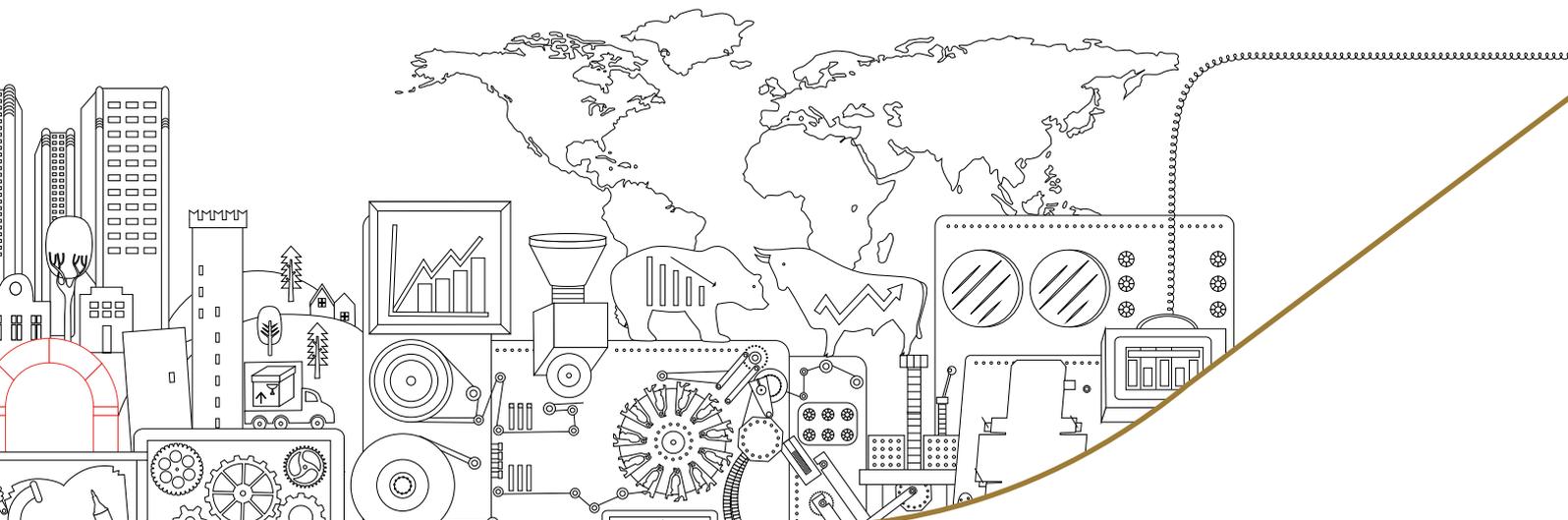
NEW HIRES BY TYPE OF CONTRACT



In 2014, IMA's personnel confirmed its sensitivity in reporting near misses/potential hazards, with 14 events reported, slightly lower than in 2013 (20 events reported), but still a significant increase on the average of 5 or 6 near misses in 2011 and 2012). Near misses get investigated in the same way as accidents, also with a viewing to identifying appropriate improvements together with the various bodies involved.

As regards work-related diseases, there are no categories of workers particularly exposed to specific risks on the

basis of differences in gender, age or ethnicity. However, IMA has undertaken an initiative for the benefit of those employees who travel for work all over the world, also in geographical areas where certain types of infectious diseases may still be endemic. In agreement with the company doctor, we are offering such employees a vaccination plan, on an optional basis, that allows them to broaden their range of protection: almost all of the employees who travel have joined it, having vaccinations at the Company's cost.



Measures to improve the working environment

The most important measures taken in 2014 to improve the working environment include:

- **Asbestos:** all of the asbestos roofing has been removed at the Bentivoglio plant, even though there was no obligation to do so. In this way, with a substantial economic investment, a potential source of risk has been eliminated.
- **New vacuum systems for pollutants:** two new centralised vacuum systems have been designed, installed and started up at the service of two numerically controlled machine tool departments (Size Part Dept. and Boring Machine Dept.) in the Mechanical Engineering workshop of the plant in Via Emilia 428/442, Ozzano dell'Emilia. At the same time, specific authorization for this site was obtained from the Province of Bologna. The number of Air Treatment Units used in the Mechanical Engineering workshop of the main site has been increased to 8, installing 3 new units.

- The first stage of upgrading involves adopting the three basic prerequisites for prefabricated plants laid down by law, namely: a) fixing columns to support beams; b) fixing infill walls to adjacent structural elements; c) bracing shelves over a certain height. At present, these interventions are almost finished at the Bentivoglio plant in Via Romagnoli 2 and largely completed at the Ozzano dell'Emilia plant in Via Emilia 428/442. Design work has been completed at all of the other sites involved and consolidation measures are currently at a planning stage. The whole planning phase was carried out by a team of professionals, led by Prof. Poluzzi, Professor of Engineering at the University of Bologna (Construction Technique Department) and an IMA consultant.

Seismic risk

Following the earthquakes of 20 and 29 May 2012, even though our facilities are located outside of the "crater" zone subject to the emergency regulations of June 2012, IMA adopted the following actions, not because they were compulsory, but to protect our people better.

- **Seismographs:** 3 automatic seismographs were purchased (triaxial accelerators) from the same provider as the Civil Defence network. Two of these were installed and linked to an alarm system to warn employees that they have to leave the plants to ensure timely evacuation in the event of an earthquake. This will be done when a critical threshold of alarm is exceeded, defined in collaboration with the team of designers who follow the work of upgrading the buildings, including a recommendation to check the state of the building before workers re-enter. Buildings: work continues on the adaptation of buildings, even though there is no obligation to do so. Management has issued an order for the buildings to be upgraded, as though they were in the earthquake zone.



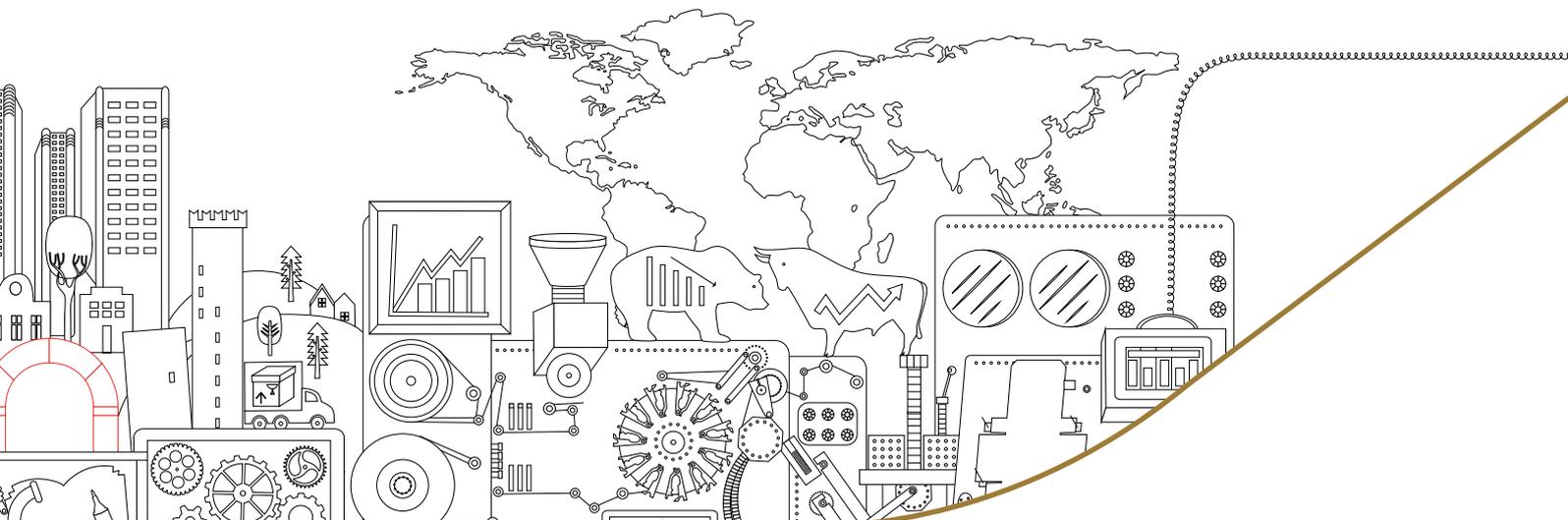
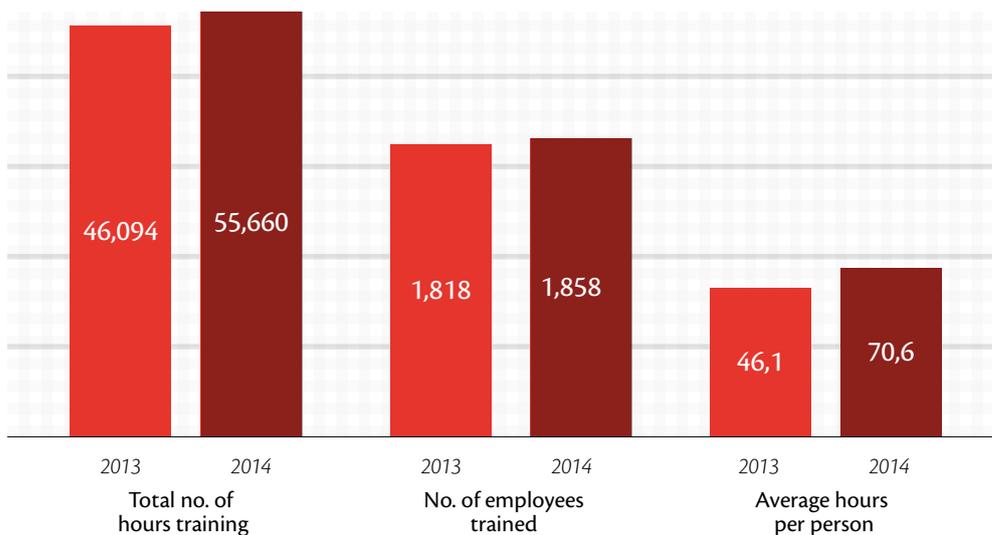
Personnel training and development

Like all large companies having to cope with the challenges of a competitive market, IMA considers **continuous training as a strategic resource**. So IMA's investment in this area is not limited to the starter training given to new hires, but is maintained over time, with the aim of encouraging professional growth and individual motivation. Complex and constantly evolving realities such as IMA, need employees with resourcefulness and initiative, ready for continuous challenge, moved by the desire to learn and improve. From this point of view, IMA is also a point of reference for the district system to which it belongs, working hard to adapt its organizational and management models to the "knowledge economy", in which professional careers - that are increasingly discontinuous and multidisciplinary - require more "generalist" skills as well as the high standard of professionalism required to work in an international, high-tech context.

For IMA, investing in human capital also means establishing ongoing and mutually profitable relationships with schools and universities, in order to transfer skills and provide young people opportunities for growth and development.

Training activities (for a total of **55,660 hours, +20% compared with 2013**), geared towards improving the expertise of the Group's technical, administrative and commercial personnel, involved **1,858 employees, 81.5% of the total** (1,818 in 2013). Specialist training, updating professional skills, work safety, management skills development and foreign languages continue to be the main topics.

TRAINING



NUMBER OF PARTICIPANTS IN TRAINING AND AVERAGE HOURS PER PERSON BY CATEGORY AND GENDER

	Women		Men		Total	
	2013	2014	2013	2014	2013	2014
MANAGERS: number	2	2	51	55	53	57
<i>Average hours per person</i>	83.0	77.0	33.3	17.5	116.3	94.5
MIDDLE MANAGERS: number	14	20	78	90	92	110
<i>Average hours per person</i>	41.4	45.2	32.6	24.7	74.0	69.9
OFFICE WORKERS: number	317	347	988	981	1,305	1,328
<i>Average hours per person</i>	18.2	44.0	29.1	30.1	47.3	74.1
PRODUCTION WORKERS: number	3	2	365	361	368	363
<i>Average hours per person</i>	3.7	39.5	17.9	18.2	21.6	57.7
TOTAL: number	336	371	1,482	1,487	1,818	1,858
<i>Average hours per person</i>	19.4	44.2	26.7	26.4	46.1	70.6



Equal opportunities

In line with the Code of Ethics, **IMA guarantees equal opportunities**, protection and enhancement of the Company's human resources, wherever they operate, recognizing that they are a primary factor in the Company's success, and in any case entitled to fair treatment, respectful of the fact that they are all separate individuals, each with their own characteristics and to ensure the physical and mental integrity of each and every worker. Discrimination based on political or union allegiance, religion, race, nationality, age, sex, sexual orientation, health or whatever is not permitted.

The IMA Group is careful about the issue of equal opportunities, while operating in a production and industrial environment that, by history and tradition, tends to employ much fewer women than men. The personnel breakdown by gender has remained essentially the same as in 2013 (women are 18.5% of the entire workforce). There is a higher presence of female staff in white-collar positions, staff services and in the commercial area.

In terms of remuneration, the provisions laid down in national contracts and current legislation in force in the countries where the company operates are applied. In terms of contractual status, more than half of the women are at a medium to high level (6th or higher). The current Board of Directors is made up of 13 members, including 3 women.

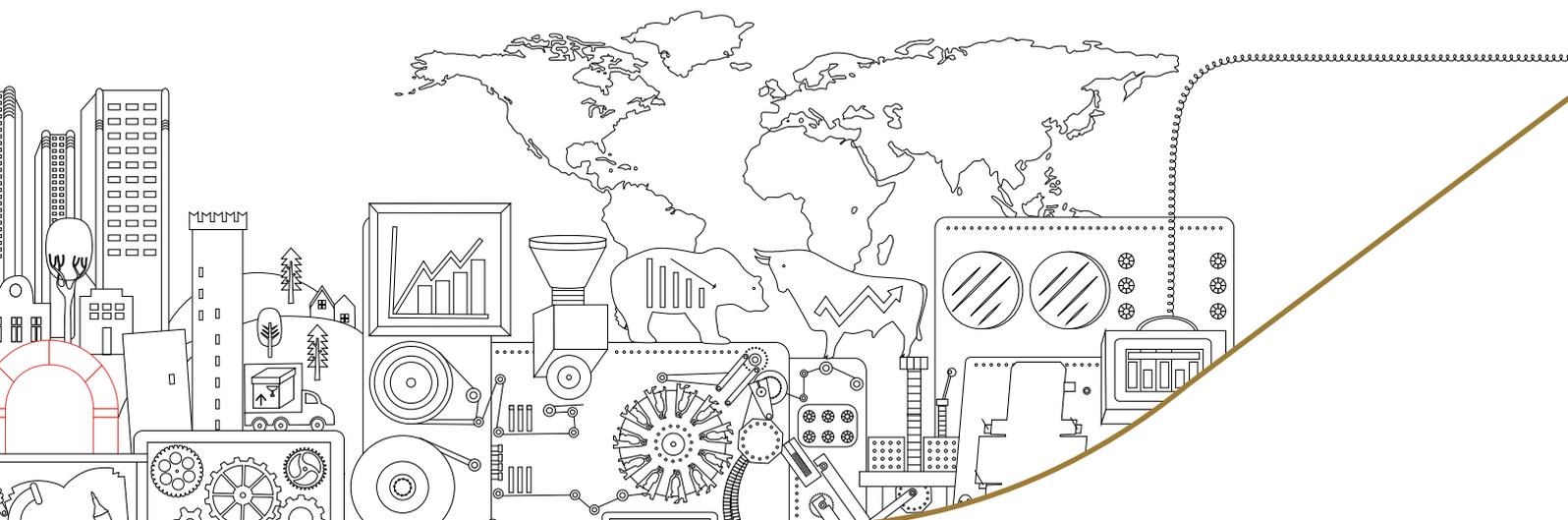
IMA gives part-time work to employees who make a reasoned request, within the limits set by collective agreements: in 2014, out of 116 part-time contracts, 94% had been requested by women. In total, 109 women are in part-time work, this being 25.8% of the total number of women working for IMA at 31 December 2014.

% of women by qualification	2013	2014
Manager	2.8%	2.7%
Middle Manager	15.6%	16.0%
Office worker	24.7%	24.7%
Production worker	0.9%	0.8%
Grand total	18.4%	18.5%

STEPS TAKEN TO PROMOTE GENDER MAINSTREAMING: DEVELOPMENT MEASURES TAKEN IN 2015

In 2014 and 2015, IMA continued its efforts to spread a culture of equality and growth through concrete measures that demonstrate how the Group supports and promotes, in accordance with its own values, principles and practices already in place, the growth of a corporate welfare that meets the needs of employees and that is the basis for a new "organizational citizenship from a gender perspective".

The first step taken between late 2014 and early 2015 was to share the training carried out in 2014 with the male population: a handbook with a summary of the content discussed in the classroom by the female colleagues has been distributed to all employees.



Corporate welfare

Another concrete measure that the Company wanted to take was extend the training on equal opportunities, "**Gender mainstreaming in the Company**", to the employees of other Group companies. This activity involved 150 women, in addition to the 257 female employees of IMA who already took this course in 2014. In line with the path already developed, the training plan for 2015, which is split into 4 modules of 5 hours each, addresses the following issues: culture and legislation on equal opportunities and achieving a good work/life balance; gender culture in organizations; perception of equal opportunities and gender identity; communication and management of women's careers.

In 2015, the company also initiated a **listening project** dedicated to occupational stress on gender issues. To identify any forms of discrimination in the workplace, a help service has been launched on an experimental basis for the prevention, listening and support of women by introducing the role of Trusted Councillor. The Trusted Councillor, established in the wake of European legislation (Recommendation 92/131; Council Declaration of 19 December 1991; Resolution A5-0283/2001), reinforces the Company's commitment to the promotion of organizational welfare. This role has been created to provide specific advice to women on issues of gender discrimination and acts as a facilitator between the Company and its female workers, acting as a collector of any labour troubles and working towards a shared solution that is accepted by all parties. The Trusted Councillor is available throughout 2015 on a monthly basis - on fixed dates and disclosed through specific business notices - at the various plants of the IMA Group in the province of Bologna and Calenzano, to give all female employees the chance to benefit from this counselling. The service will be extended until June 2016.

IMA's workforce includes people belonging to protected categories as required by current legislation: to this end, the Company has entered into agreements with the relevant entities.

Working **part-time** is one of the measures introduced to help improve employees' work-life balance. IMA's in-house labour agreements permit a higher percentage of part-time contracts than is envisaged in the national collective labour contract. We are also planning to introduce a procedure for easier access to part-time work in the event of serious family reasons.

During 2014, all applications for part-time work were again accepted by the Company (93% of those who work part-time are women).

The supplementary agreement also provides for various favourable conditions related to parental leave for maternity or to take care of the family.

As regards **post-partum leave**, employees of IMA S.p.A., both men and women, are entitled to:

- a period of three months during the first year of the baby's life, in addition to the period provided by law, during which the Company pays 30% of the person's normal salary;
- for 3 of the 6 months due by law, the Company integrates the indemnity granted by INPS with an additional payment equal to 30% of the person's normal salary;
- advances on severance pay to integrate the loss of income.

As regards **taking care of the family** (relatives within the second degree), employees of IMA S.p.A. can apply for:

- 1 day of paid leave for the father when a child is born
- 4 days of paid leave to take care of a member of the family in the event of serious illness
- 16 hours of unpaid leave and 4 hours of paid leave to take care of the family with self-certification.



In Italy, IMA's employees can enjoy other benefits and perks, including:

- health insurance paid for by the Company and the possibility of extending coverage to other members of the family with a contribution from the employee
- work and non-work related accident insurance, paid for entirely by the Company
- special agreements with banks for more favourable terms
- psychological counselling service by a professional who carries out short support interviews during working hours
- contribution towards groups of employees who play sports at a recreational level.

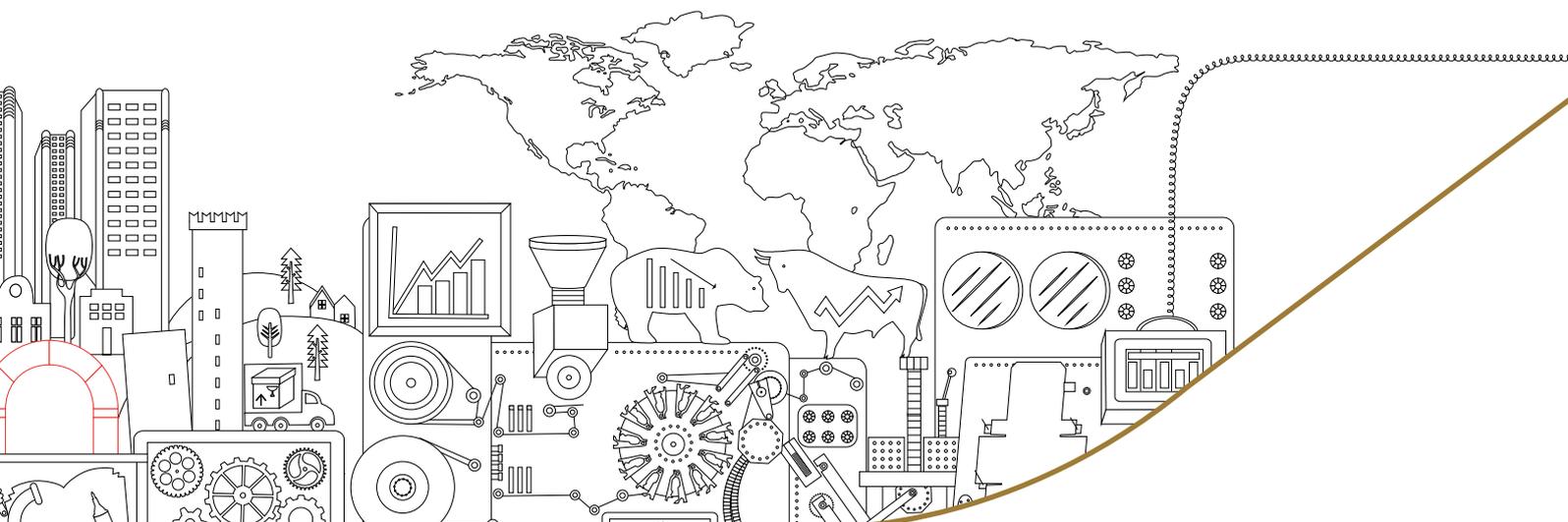
In addition, all of IMA's employees, as required by Italian law, can take advantage of periods of absence or leave depending on their needs (e.g. care of family members). Out of 77 parental leave for maternity/paternity requested and granted in 2014, all of them returned to work at the end of their leave and are still on the books at 31 December 2014.

	2012			2013			2014		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
No. of times parental maternity/paternity leave	45	41	86	45	44	89	44	33	77
Leave for the birth of a child		33	33		56	56		42	42
Paid leave of 3-4 days	23	80	103	32	99	131	22	95	117
Unpaid leave for family care (16 hours)	17	11	28	24	22	46	18	15	33
Paid leave for family care (4 hours)	55	102	157	58	121	179	55	113	168
Leave as per Law 104				26	78	104	27	84	111

A SOLIDARITY PROJECT, FOR THE INVOLVEMENT OF EMPLOYEES

During 2014, we started working with **Cooperativa Sociale PICTOR**, which deals with the rehabilitation of people experiencing social disadvantage. The arrangement is that employees of GIMA S.p.A. and Corazza S.p.A. can buy fresh fruit and vegetables grown in the local area by the cooperative. These products are sold under the "**Cose buone da matti** (Good things like crazy)" brand, to remind people that the cooperative was set up to assist people previously living in institutions that were closed down after the passing of the "Basaglia" law.

The project went through an experimental phase in the last few weeks of July to test the popularity of the initiative, going into full swing after the summer break. Purchasing goods is quite convenient as booking is done by e-mail and products can be picked up directly at the company.



Involvement in the community

IMA has always contributed generously to various types of charitable, cultural and social initiatives, thanks to the attention of a management team that is sensitive to the problems of society and to cultural development.

In-house CSR projects

However, it has to be said that the Company's fiftieth anniversary marked a step forwards in this practice: IMA has gone from quiet intervention, led from the top, to a more participatory and shared dimension. According to the Group's new philosophy, responsibility towards society and the world can become an element of identity for all of its employees. In 2011, at the time of IMA's 50th Anniversary, employees were asked to submit projects of a social nature; three of them were selected and the Company then helped to implement them for three years, from 2012 to 2014.

In 2014, IMA continued to support the **three projects of social solidarity chosen from those proposed by employees** at the time of the Group's 50th Anniversary. IMA's three-year commitment involved total funding of 330,000 euros.

The main activities carried out during the course of 2014 by the associations helped by IMA are reported below.

1) Auxilia: another vision

Comprehensive rehabilitation programme for people with low vision

For the third year running, IMA has supported the Association for Retinitis Pigmentosa and rare diseases in ophthalmology. The activities of the Bologna "auxiliatheque"

(opened in 2013) and the home delivery of aids at the request of users have helped reveal how **accompanying in the use of assistive technology** improves awareness of the visual potential of the visually impaired person and the perception of possible independence in carrying out daily activities.

Several initiatives were organized during 2014, including: "Ballare a occhi chiusi (Dancing with your eyes shut)", a tango course for the visually impaired (Bologna, February 2014 - still active); a laboratory on the sense of smell dedicated to scents held as part of the Smell Festival (Bologna, 27 February); "Anche l'occhio vuole la sua parte (The eye wants its part too)", cooking workshop for adults and children, which took place at the time of "La Scienza in Piazza (Science in the Square)" (Bologna, from 28 March to 13 April); a guided tour of the exhibition "La ragazza con l'orecchino di perla (The girl with a pearl earring)" (Bologna, 7 April); participation in Exposanità, international health and welfare exhibition (Bologna, from 21 to 24 May); a series of four sensory workshops to stimulate vision, memory, and smell sensitivity, in collaboration with the social cooperative "Ancora" and the Social Services of the Borgo Panigale District (Bologna, Centro sociale Villa Bernaroli, July-August); the conference "Blindness and low vision: news on scientific research and medical/legal aspects", at the Low Vision Academy (Milan, 4 October); the conference "Low Vision, a survey between research and technology", as part of Handimatica, national exhibition and conference on technologies and disability (Bologna, 29 November).

2) With us from first to third

A project to encourage young people to study

Thanks to IMA's support over the last three years, the Associazione Il Ginepro has continued its Project to



- **Support to Associazione NOVA - Nuovi Orizzonti per Vivere l'Adozione**, which is involved in the prevention of abandonment through international adoption, remote support and cooperation.
- A contribution to the **Cooperativa Airone** in Codigoro (Ferrara), a host community for mothers with children who are in situations of serious hardship, helping their social reintegration.

During the course of 2014, on a **proposal from the Workers' Representatives**, IMA approved two major projects, which were implemented during 2015.

- **EMERGENCY: Bologna mobile unit for social/health guidance**

A mobile unit of Emergency has been located in Bologna since August 2015 to provide social/health guidance to the population who find it difficult to access the national health system: migrants with or without residence permits, homeless or needy persons.

- **Recovery of the Villa San Donato Park, Calenzano**

In order to make a portion of the territory of Calenzano (Florence), of considerable historical, cultural and natural value, available to the public, the local administration proposed a project for the recovery of the park of Villa San Donato, thereby creating an opportunity for job placement and training to young people with disabilities.

In the near future, there will also be a project aimed at **rehabilitation in the labour environment** of persons belonging to vulnerable groups, also in terms of their age, through structured training plans shared with local institutions.

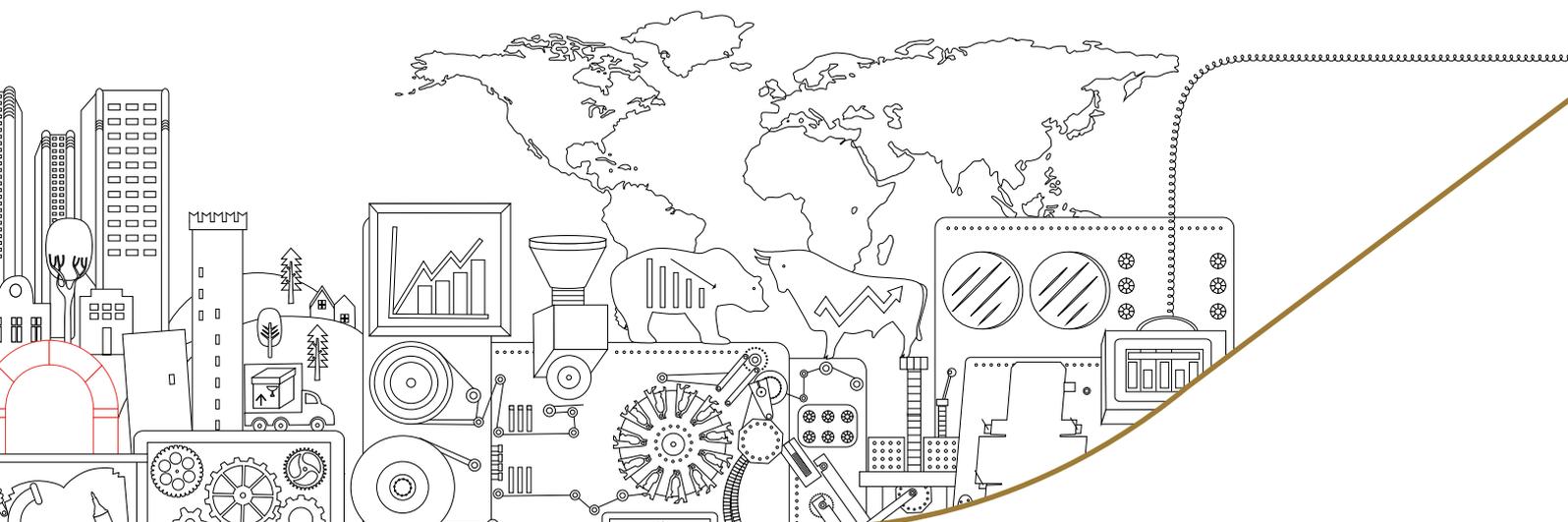
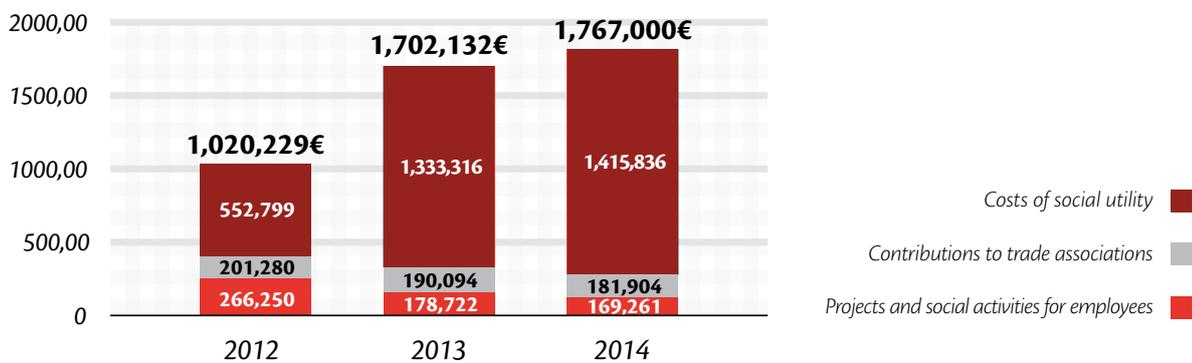


Investments in the community

During 2014, IMA supported numerous social, cultural and sports activities, making grants and donations for a total of **1,767,000 euros** (+4% on 2013 and +73% on 2012). This amount includes the resources allocated to the **social responsibility projects** presented by employees on the occasion of IMA's fiftieth anniversary, expenses incurred for the benefit of employees (such as for sports groups or other corporate initiatives), as well as the fees

that the Group has paid to join **representative or industry associations**. On average, over the last three years, the total of such contributions amounted to approximately 0.2% of total Group revenues from sales and services.

IMA'S SOCIAL COMMITMENT

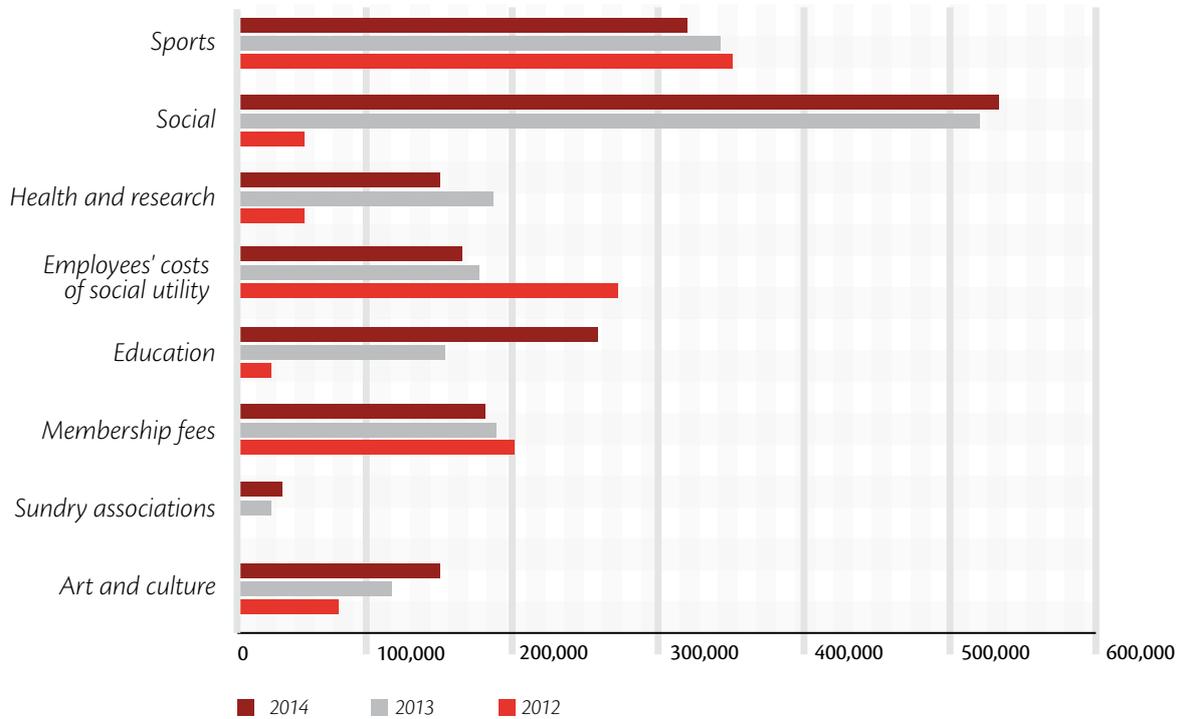


IMA's interventions in favour of the world of **sport** relate to support to sports clubs and non-profit companies operating both locally and nationally (football, rugby, basketball, etc.).

Support for **Education** involved various contributions to Technical Institutes, Foundations and University while **Health and Research** include contributions to Institutions, Associations, Non-profit organization working in the field of science or health.

As regards the **social** field, in 2014 IMA continued to support initiatives for the **reconstruction of Emilia following the earthquake** in May 2012. Several interventions have involved IMA in various ways, including financial support for the Church of S. Maria Maggiore (for the execution of works intended for the restructuring of the building damaged by the earthquake).

CONTRIBUTIONS TO THE COMMUNITY AND THE TERRITORY





FID (Fare Impresa in Dozza/Doing Business in Bologna's Dozza Prison): Solidarity Sourcing

"Fare impresa in Dozza" is a project that has seen the creation of a genuine business within **Dozza Prison in Bologna**, following a course of technical training funded by the province of Bologna, managed by the Fondazione Aldini Valeriani and supported by G.D, IMA and Marchesini Group.

During the third edition of the training project "Azienda in carcere (Business in prison)" (January-July 2014) 15 prisoners took part in the training. The course included a **final qualification examination** for recognition of the skills acquired and all of the participants who completed the programme passed the exam.

A further project was also realized for FID employees, i.e. prisoners hired on a permanent basis: **"Qualification and professional development for FID employees"** (March-July 2014), involving 11 people for a total of 162 hours of training. **FID employees ranged between 10 and 15 employees.** 6 new employees from the training course were hired in October 2014, replacing workers/prisoners who finished their sentence or were subject to alternative measures. In January 2015, other 3 new employees were hired, again from the programme.

In June 2015, there were 12 FID employees. Vocational training and work experience gained in prison have been useful for the reintegration of prisoners into the world of work once released

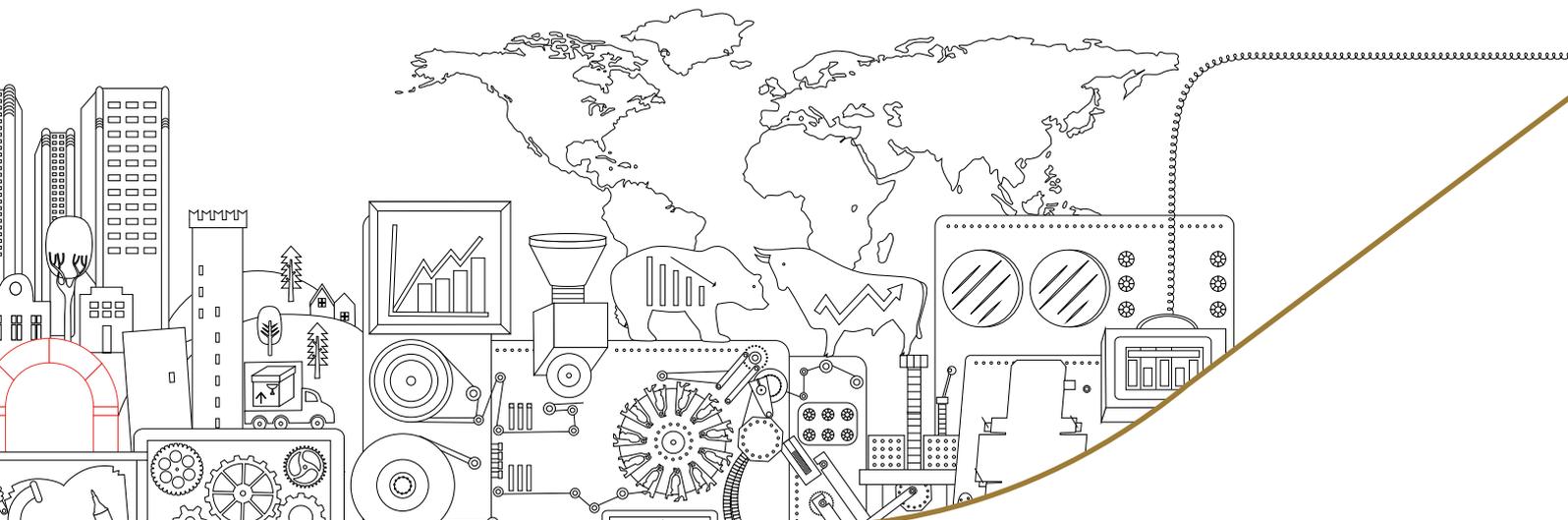
from prison. In 2014, **5 persons from FID have found employment in companies in the Bologna area** (three of these companies are suppliers of IMA).



"Just Monday" at the 2014 International Film Festival of Rome

The film **"Just Monday"**, set in the Dozza prison of Bologna, has been selected to compete in the 9th edition of the **International Film Festival of Rome** (16-25 October 2014). The film, premiered internationally, participated in the section "Italy Perspectives" dedicated to new trends in Italian cinema, obtaining acclaim from critics and audiences alike. Important recognition for **Filippo Vendemmiati**, the film director, and for the Bologna production company Tomato doc&film, who strongly believed in this film, whose protagonists are prisoners and former workers of the FID project (Fare Impresa in Dozza), engaged in metalworking for G.D, IMA and Marchesini Group. After participating in the International Film Festival of Rome, the film was successfully shown in numerous cinemas in Bologna and the rest of Italy.

In April 2015, the MAST Auditorium of Bologna hosted several screenings of the film. An initiative aimed at employees and consultants of G.D, IMA and Marchesini Group, who promoted the FID project and contributed to making the film.



Culture, education and training

The IMA Group has commenced the following **partnerships** with Universities, Technical Institutes, IFTS (Higher Technical Education and Training), training entities and research centres:

> IMA S.p.A. promoted the new **Master of Design of Industrial Product** of the Department of Architecture of the University of Bologna, contrib-

uting to the definition of the Learning Plan and implementation of Laboratories at the University. In addition, it also hosted at its head office 25 students in the first year of the course for 40 hours of technical training.

	2013	2014
Combined school/work apprenticeships	46	85
Post-graduation apprenticeships	1	0
Thesis internships	29	32
Post-graduate internships	17	21
Curricular internships	34	26
Apprenticeships for unemployed	4	8
Training apprenticeships	6	1
Total	137	173
Number of persons hired after apprenticeship	24 (17.5%)	37 (21.4%)

> **IMA awards scholarships to Alberghetti students in memory of Andrea Bugamelli**

As part of the **Doing Business at School** initiative, organised by Fondazione Aldini Valeriani of Bologna, IMA has decided to award seven **scholarships** to students of the Istituto d'Istruzione Superiore "F. Alberghetti" of Imola who distinguished themselves during the 2014 edition with their innovative "Grow room remote control" project which won

1st prize at the IX Giornata dei Saperi Tecnici. The "**Andrea Bugamelli Prize**", now in its second edition, was established in memory of Andrea Bugamelli, a former student of the Istituto Alberghetti of Imola and young employee of IMA who died prematurely in 2012.

IMA has chosen to remember Andrea Bugamelli, offering a concrete contribution to those students who, like him, have embarked on a course at a technical school, demonstrating their attachment to the technical culture of our territory.



The seven Alberghetti students who received scholarships in the name of Andrea Bugamelli are: Francesco Corrado, Gerardo Demmi, Pierluigi Ghirelli, Francesco Grandinetti, Caterina Mestri, Elena Morelli and Andrea Rosato.

➤ **“Discover Claterna. Archaeology of a buried city”**

The archaeological area of sector 11 was inaugurated in March 2014, as a result of three years' experience of research and experimental archaeology. The next part of the project focused on sector 11, which will be developed over a period of two years, provides for the **continuation of the archaeological dig** and the deepening of the excavation on the ancient Via Emilia. In this way, it should be possible to complete the floor-plan of the building from the Roman era. In addition, a reconstruction in situ will be carried out, in a scale of 1:1, of the late antique and imperial rooms of the domus.

On the occasion of the **22nd edition of the FAI Spring days**, 22 and 23 March 2014 saw the extraordinary opening of the archaeological excavations and the exhibition “Museum of the Roman city of Claterna”, with free guided tours. The weekend was preceded on Thursday, 20 March (Bologna, Palazzo d'Accursio) by a meeting on **“Homage to the Emperor Augustus in the two thousandth anniversary of his death”**, which was attended by Claudia Tonelli Rossi (FAI delegation of Bologna), Valerio Massimo Manfredi (historian and writer) and Marco Edoardo Minoia, Renata Curina and Paola Desantis (Archaeological Superintendence of Emilia-Romagna). On this occasion, the **“House of the Blacksmith”**, the new museum area well visible north of the Via Emilia, **was opened to the public for the first time.**

www.civitasclaterna.org

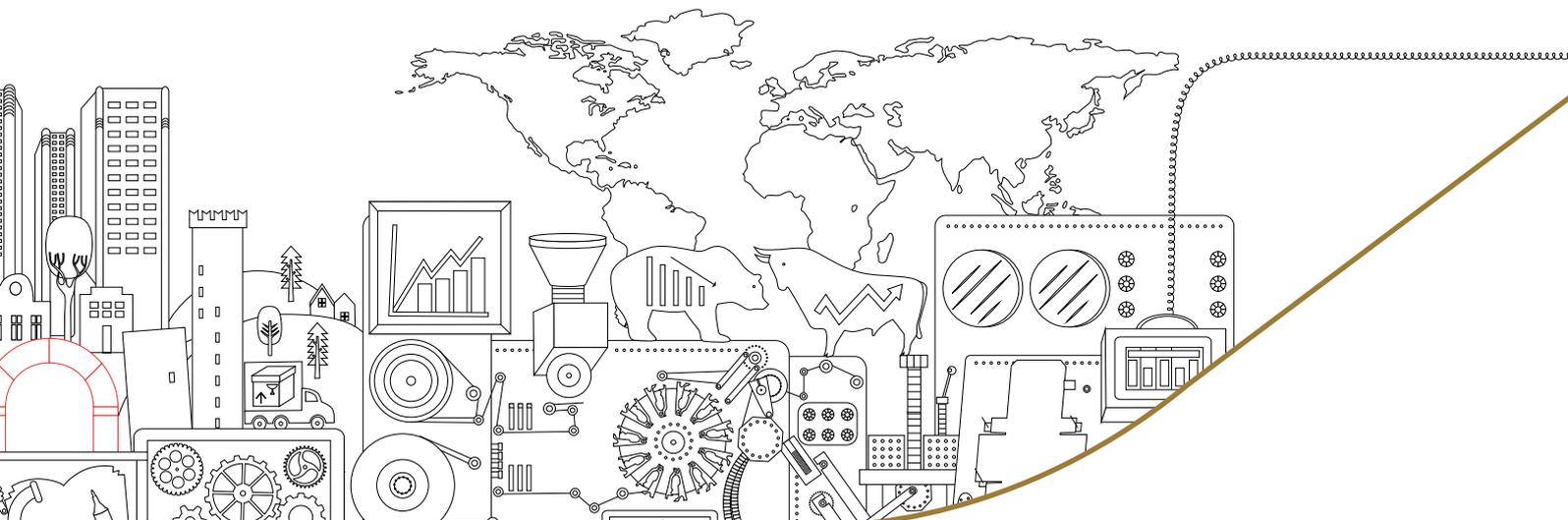
➤ **Scriba Festival 2014**

For the third year running, the IMA Group took part in **Scriba** (Bologna, 7-9 November 2014), a writing festival conceived and organized by Associazione Finzioni in collaboration with Bottega Finzioni, the storytelling laboratory of **Carlo Lucarelli**. The 2014 Scriba festival closed with a record number of participants: special guests, large and enthusiastic audiences that crowded the numerous libraries of Bologna that hosted the event.

www.scribafestival.it

➤ **Christmas Evening at the EuropAuditorium Theatre**

At Christmas 2014, the Chairman of IMA considered it appropriate that the evenings of pre-Christmas wishes should become a single moment of sharing the corporate identity and spirit. So an evening was organized for the Italian employees of the Group at the **EuropAuditorium Theatre** in Bologna, which took place on 15 December 2014. The evening entitled **“Together, IMA is a lot more”** was dedicated to the theme of sustainability and saw the screening of the trailer for the film **“Just Monday”** by **Filippo Vendemmiati** and the participation of **Ivano Marescotti**, accompanied by the musical notes of **Banda Rei**.



> Art & Science in the Square 2014

For several years now, IMA has been one of the sponsors of **“Arte & Scienza in Piazza (Art & Science in the Square)”**, an event whose purpose is to spread the culture of science, organized by the Fondazione Golinelli in collaboration with the Municipality of Bologna. The 2014 edition of the Festival (28 March - 13 April) was a real **“food immersion”**: the public was offered exhibitions, shows, meetings, screenings, games in the square and creative workshops on food, anticipating the themes of **Expo 2015**.

www.lascienzainpiazza.it

According to FAO estimates, in fact, a third of all the food produced in the world is lost. In this situation, packaging can play a strategic role in the fight against hunger and malnutrition. The project will target the sub-Saharan region of Africa, in particular small and medium-sized enterprises in Cameroon, Ivory Coast, Ghana, Kenya, Mali, Nigeria, Rwanda, Senegal, Tanzania and Zambia. The International Trade Centre (ITC) in Geneva will also participate in this project. ITC is the centre for international trade affiliated to the World Trade Organisation and to the United Nations Conference.

www.save-food.org

> SAVE FOOD and the FAO project for the development of food packaging in Sub-Saharan Africa

In March 2013, IMA joined the SAVE FOOD initiative, sharing the intentions expressed in the founding declaration. SAVE FOOD, in partnership with FAO, Messe Düsseldorf and Interpack, works with supporters, international organizations, financial institutions, private partners in the sector of the packaging industry and in other areas, in order to develop and implement programmes regarding food losses and waste. As part of SAVE FOOD, on 7 October 2015, the IMA's Chairman Alberto Vacchi and Laurent Thomas, FAO Assistant Director-General signed an agreement for the execution of the project **“Improving food packaging for small and medium agro-enterprises in Sub-Saharan Africa”**. For this project, which will last for **three years**, IMA has allocated a total contribution of 450,000 euros, of which about 50,000 euros of ancillary costs, in order to **intervene on food waste with appropriate technologies**.



Membership of associations and institutions

IMA is a member of various associations and institutions at national and international level to contribute to the **dissemination of quality and innovation, automation culture and sustainability**. In 2014, the main associations and institutions to which it belongs are:

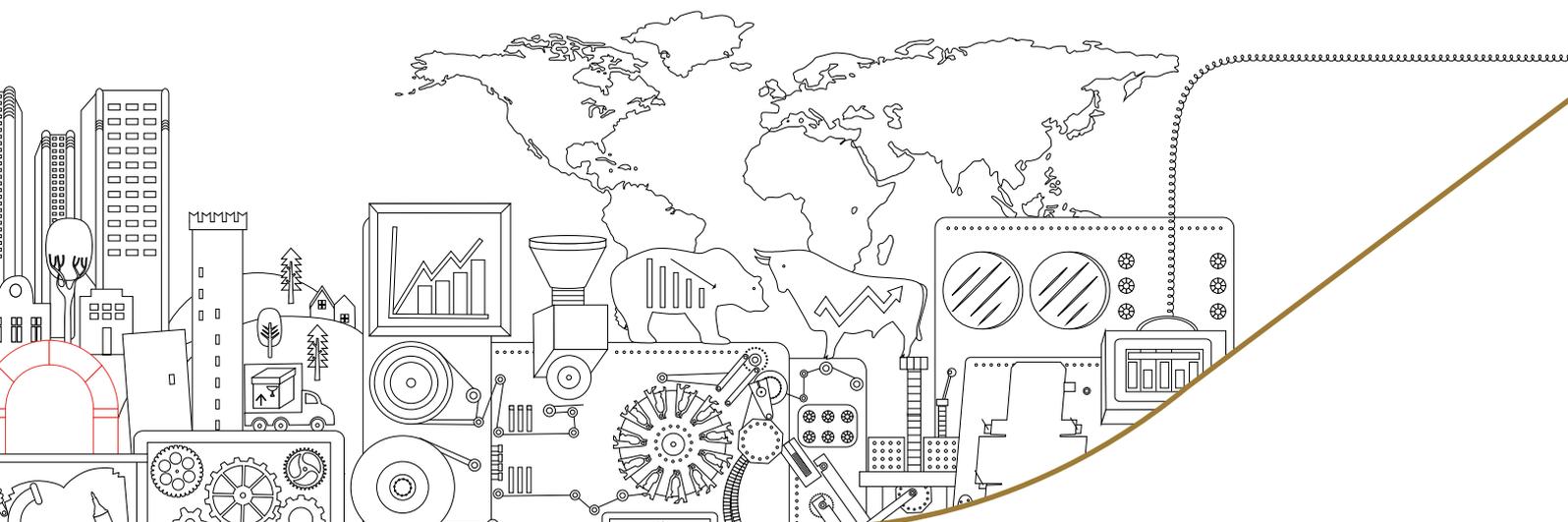
> Impronta Etica

Since 2012 IMA joined **Impronta Etica** and, by the end of 2013, it became a member of the Association's Management Committee. Impronta Etica is a non-profit organization: founded in 2001 for the **promotion of social responsibility in business**, it operates to promote **sustainable development**, creating a network of businesses and organizations that consider social engagement an essential part of their mission and activity. Impronta Etica is a national partner of CSR Europe, ensuring Europe-wide coverage of the reflection of the member companies.

The event entitled **"The sustainable company for work that is changing"** took place on 27 November 2014 in Bologna: it was organized by Impronta Etica to present a document, the result of a debate initiated by the association with its members, which examines the role of responsible companies to create new opportunities and improve the quality of work with a view to increasing the Company's competitiveness and the welfare of the community and the territory at the same time. The conference saw the testimony of good practices on the issue of member companies, including IMA, and non-members. IMA in particular, mentioning the experience of the FID - Fare Impresa in Dozza Project (born in 2008 in collaboration with G.D and Marchesini Group, Fondazione Aldini Valeriani, Dozza Prison of Bologna, Province of Bologna and some trade unions) witnessed how work can be a means of empowerment and rehabilitation, creating value both for the territory and for the company.

Institution	The role of IMA or of its Representatives
UNINDUSTRIA BOLOGNA	IMA's Chairman Alberto Vacchi is also Chairman of Unindustria, which is Confindustria's association in Bologna
FEDERMECCANICA	Member
UCIMA <i>(Italian Packaging Machinery Manufacturers Association)</i>	Management Committee
ASSOCIATION OF FRIENDS OF THE INDUSTRIAL HERITAGE MUSEUM	Deputy Chairman
E.R.-AMIAT Emilia-Romagna: <i>Advanced Mechanics and Industrial Automation Technology</i>	Secretary General
IMPRONTA ETICA	Management Committee
PROMETEIA	Member
SAVE FOOD	Member
CRIT	Technical/Management Committee

All of IMA's relationships with Institutions and the Public Administration are based on the principles of honesty, fairness, transparency and full compliance with laws and regulations, in respect of the public nature of the function, as indicated in IMA's Code of Ethics and regulated by the Management and Control Model in accordance with Decree no. 231/2001.



Specifically: on the one hand, promoting a profound cultural change regarding the approach to detention and rehabilitation of prisoners and promoting social inclusion for them; on the other, enhancing the intellectual capital represented by its retired employees, fostering the growth of networking, engagement and partnership activities with internal and external, public and private parties of the territory, promoting a reputational credit outside and inside projects of Solidarity Sourcing for large customers sensitive to the issue of CSR.

www.improntaetica.org



E.R. - AMIAT for the enhancement of European industry

E.R.-AMIAT (Emilia-Romagna Advanced Mechanics and Industrial Automation Technology) is an international non-profit organization founded in 2011 by the joint efforts of the leading companies in the field of advanced mechanics in Emilia-Romagna, including IMA. The association's target is to become a partner in Europe with regard to the development of policies and programmes on research and innovation in the industry sector. During 2014, E.R. - AMIAT turned to industries proposing to work on a minimum standard of Sustainability in the Advanced Mechanics and Automation European Industry (**SuStAlnE**), also in response to demands from its customers, mostly multinationals in the food, pharmaceutical and automotive sectors. The standard comes in a context where environmental, social and economic sustainability is not only an element to be enhanced, but also a competitive advantage in the face of an increasingly responsible and careful demand.

In December 2014, E.R. - AMIAT presented the initiative to the European Commission, which invited the association to do research on new practices and business models that make it possible to combine the technological dimension of the Fourth Industrial Revolution to the social dimension, passing through Corporate Social Innovation (CSI).

With the support of the **Research & Innovation Department** and of **EFFRA** (European Factory of the Future Research Association), in May 2015 E.R. - AMIAT organized a worktable entitled **"Towards a New European Industrial Competitiveness #Sustainability #Inclusion #Innovation"** at the Brussels office of the Emilia-Romagna region. Representatives from the European Commission, regional authorities, industrial system and academia took part in the event. Subsequently, the association conducted a study that is the manifesto of the initiative, called ERA 4.0. The document was presented to the Public-Private Partnerships Info Day of 16 October 2015, promoted by the European Commission. At the same time, the packaging industry sector proposed itself as a possible test bed for a project with a European dimension and of new research into the processes of Corporate Social Innovation.

www.eramiat.eu





Associazione Amici del Museo del Patrimonio Industriale (Association of Friends of the Museum of Industrial Heritage)

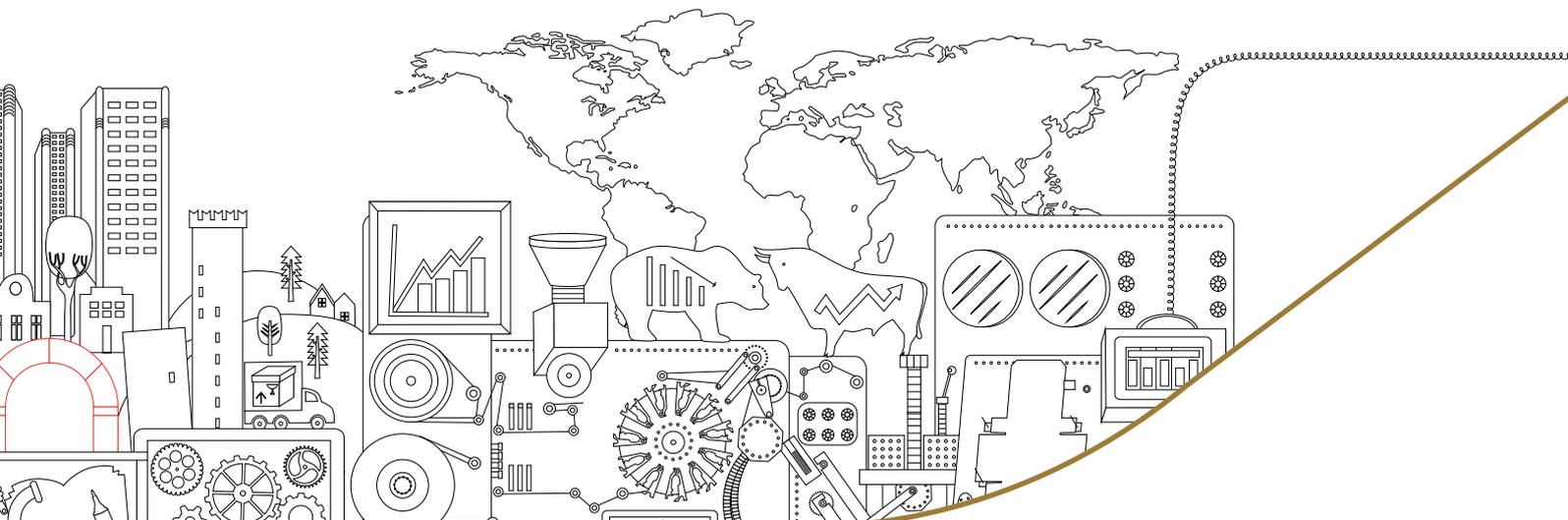
The Associazione Amici del Museo del Patrimonio Industriale includes around 80 of the most important organizations in the area, mainly related to the packaging and mechanics sector. Its mission is to strengthen the corporate culture and the deep bond between productive reality and the world of education. After having signed an agreement with the University of Bologna, the Association worked with a student preparing his thesis, who carried out a study on the real needs of subcontracting firms to maintain and enhance the competitive success of the Emilia Romagna advanced mechanics cluster. The research was carried out through interviews with local entrepreneurs and was submitted on 18 March 2015 to the doctoral committee. The Association, in collaboration with the Museum of Industrial Heritage and the "Amici dei Musei d'Ateneo (Friends of the University's Museums)" association, created for its members **"Discover and experiment. Explore the history of Bologna"**, a series of itineraries, directed exclusively to companies and their customers, to discover the cultural and industrial reality of the city.

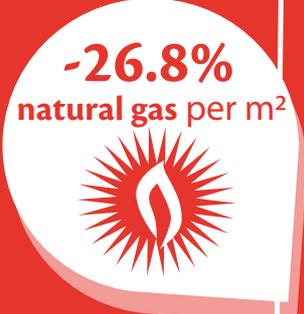
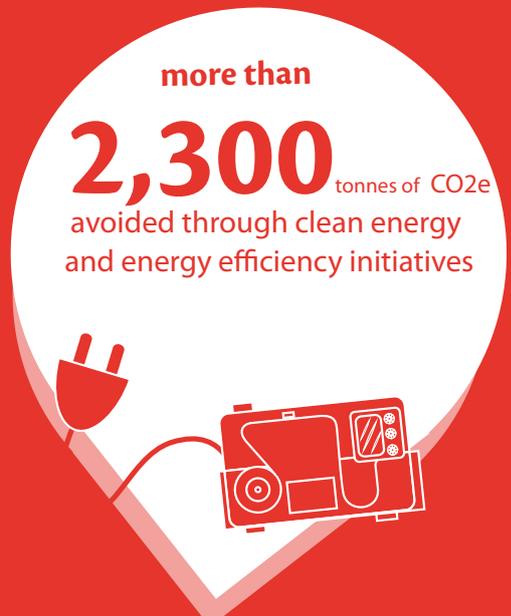
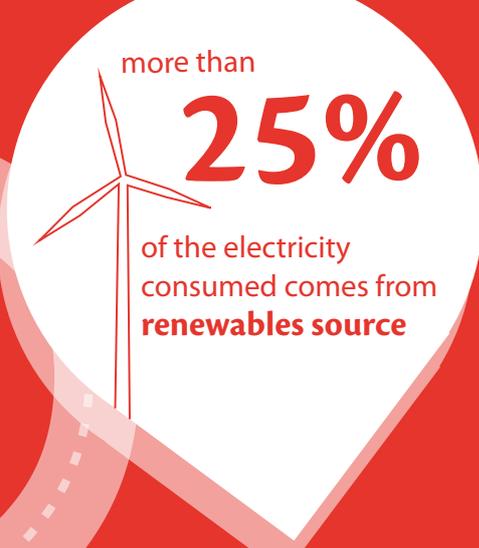
The promotion of training activities for the dissemination of technical culture and the revitalization of technical and scientific knowledge focused in the **"Orientamento Consapevole (Aware Orientation)"** project, whose mission is to encourage new generations to get involved in technical culture and the world of business.

The Industrial Heritage Museum and the MAST handled the first phase of the project, which aimed to emphasize the importance of technical education for the technological and industrial development of our territory. The second phase was supported by the Association, which combined each participating institution with a company to be visited.

The meeting entitled **"Why Indiana Jones can help Italian companies?"** took place on 24 September 2014. During the event, we discussed the situation of Italian companies, which are facing more and more distant markets, both in terms of exports and as a way of expanding production. Particular attention was paid to the environment in which we operate and the people with whom one will have to interact. Luca Jourdan of the University of Bologna, Marco Checchi of Pelliconi&C. and Vittorio Capecchi of the University of Bologna, took part in the discussion.

www.amicidelmuseo.org





Environmental Sustainability



Environmental management and risk management systems



The quality of our social system in the future will also depend on the extent to which we respect and protect the environment. Adopting sustainable and responsible behaviour will have to be the cornerstone on which to base any commercial, industrial or social initiative.

IMA is fully aware of this and is committed to minimizing any impact resulting from its production cycle: the Group is well equipped with a specific area specializing in EHS (Environmental-Health & Safety) issues, the purpose of which, among others, is to manage all environmental activities in constant compliance with the regulations and to ensure the optimization of energy consumption.

IMA's impacts from an environmental point of view can be classed in four main areas:

- Atmospheric emissions
- Production of waste
- Effluents
- Energy consumption

As regards these impacts, we would like to emphasize, above all, that IMA fully complies with the regulations in the way that they are handled: where applicable, IMA has all of the required authorisations issued by the competent bodies. To a lesser extent, as potentially arising from work performed within an industrial plant, IMA also takes into consideration acoustic and electromagnetic pollution of the surrounding environment: following assessments and instrumental measurements conducted periodically at the Group's main plants, we can confirm that these impacts are essentially non-existent (i.e. not only fully complying with current legislation, but also with the "quality" targets set by regulations for the protection of any civilians living near industrial sites).



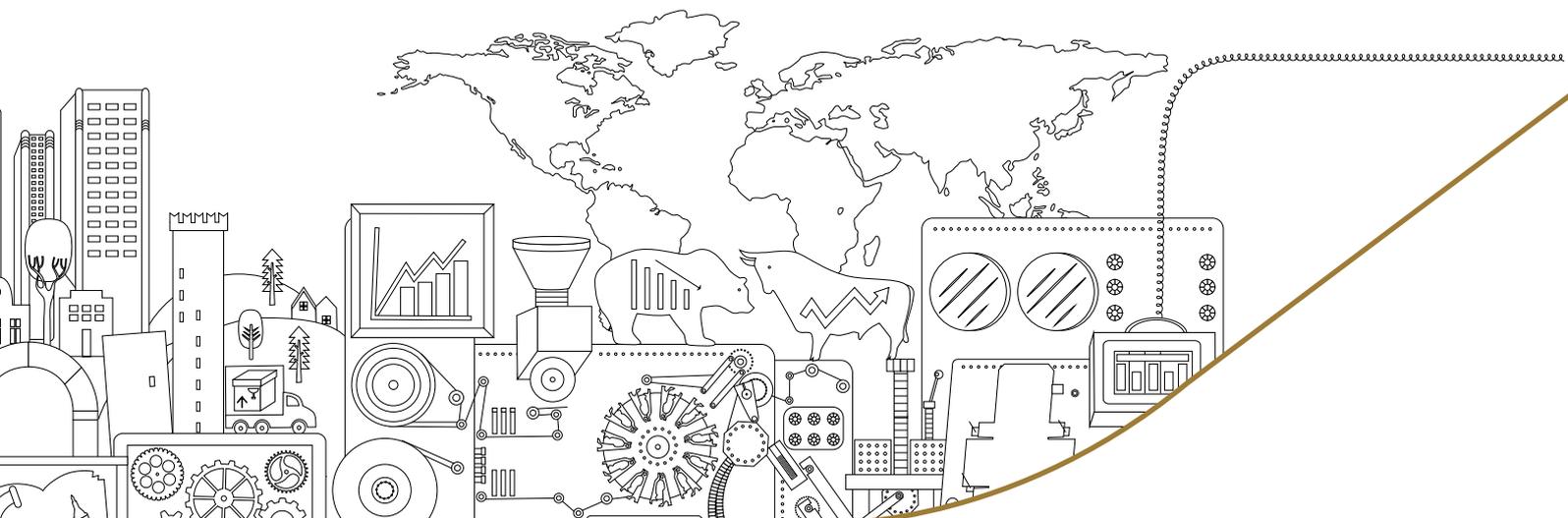
Under the principle of continuous improvement of an environmental management system, and despite already fully complying with the rules, IMA has still prepared programmes and initiatives aimed at **continuous reduction of environmental impacts** and **improving efficiency in the use of resources**.

This line of action also includes the path initiated by the parent company IMA S.p.A., for the **certification of its Environmental Management System** according to **ISO 14001**, the most accredited standard in the world: for the registered office of the parent company IMA S.p.A., this certification is expected to be obtained by 2016. In particular, the **“environmental analysis”** of the Company is currently in progress; this will make it possible to relate the main environmental impacts arising from the production cycle - albeit low - to numerical indicators and, consequently, to prepare a specific improvement plan with quantifiable and measurable targets for reduction.



Methodological note

Compared with last year, the scope of the data presented relates to the main Group companies in Italy (IMA S.p.A., IMA Industries S.r.l., Gima S.p.A., Corazza S.p.A.), which are either wholly-owned by IMA S.p.A. or controlled by it: compared with the previous edition, new companies acquired or set up in 2014 (for example, Fillshape S.r.l., ILAPAK) have also been added. The offices and plants taken into consideration are: Ozzano dell'Emilia (Bologna), Via Emilia 428-442; Ozzano dell'Emilia (Bologna), Via 1° Maggio 14/16; Ozzano dell'Emilia (Bologna), Via Nobel 1; Ozzano dell'Emilia (Bologna), Via Nobel 28 b/c; Ozzano dell'Emilia (Bologna), Via Tolara 51; Ozzano dell'Emilia (Bologna), Via Tolara 121; Ozzano dell'Emilia (Bologna), Via Piave 16; Ozzano dell'Emilia (Bologna), Via 1° Maggio 99/107; Ozzano dell'Emilia (Bologna), Via Libertà 13/15; Ozzano dell'Emilia (Bologna), Via Nobel 32 a/b; Bentivoglio (Bologna), via Romagnoli 2; Bentivoglio (Bologna), Via Romagnoli 11; Castenaso (Bologna), Via Tosarelli 184; Calenzano (Florence), Via Petrarca 34/40; Calenzano (Florence), Via Petrarca 35/37; GIMA S.p.A., Zola Predosa (Bologna) Via Kennedy 17 and Via Parini 1; Corazza S.p.A., Bologna Via Corazza 9; Revisioni Industriali S.r.l., Ozzano dell'Emilia (Bologna) Via Nobel 34; Comadis S.p.A., Senago (Milan), Via Piemonte 34; Ima Life Italia S.r.l., Trezzano (Milan), Via Piero della Francesca 26; ILAPAK Italia S.p.A., Foiano della Chiana (Arezzo), Via Lama 11; Fillshape S.r.l., Vicofertile (Parma), Via Ferrandi; Pharmasiena Service S.r.l., Siena, Via Zalaffi 1-3.

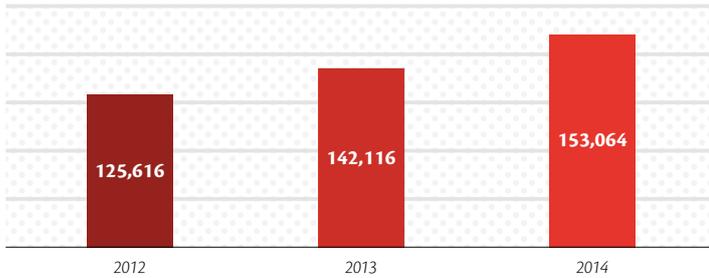


The environmental data reported in the following paragraphs reflect the increased production volumes that have characterized the last three years, both for the actual increase in orders and sales, and for the change in the scope of the Group as a result of acquisitions. The main trends are shown in the following graphs: in order to make corporate performance, consumption and use of natural

resources comparable, these will be related, where significant, to the surface areas of offices and plants (23 sites at 31 December 2014) in order to obtain indicators of "intensity". In 12 months, at 31 December 2014, the surface area increased by 7.7% to more than 150 thousand sq.m.

IMA'S GROWTH:

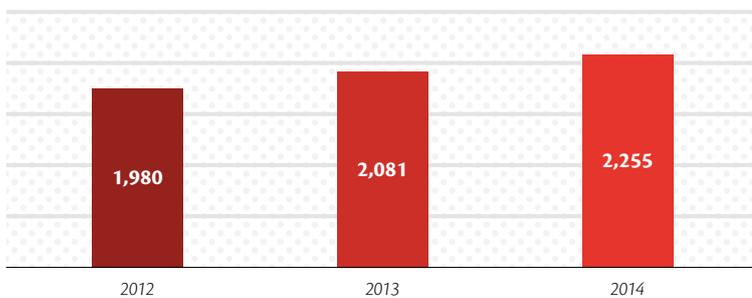
AREA (SQ.M.)



SALES (MN €)



EMPLOYEES



Carbon footprint and emissions management

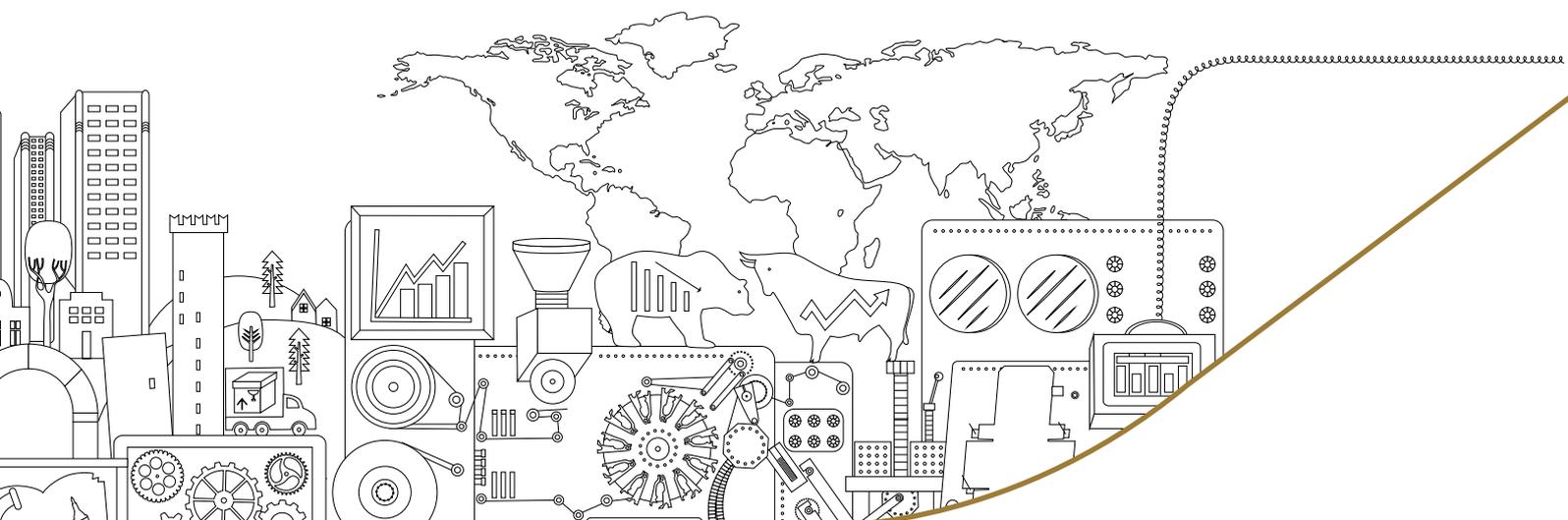
All atmospheric emissions arising from plants within the production sites of the IMA Group are authorized under existing legislation by the Province in which the plant concerned is located. For each plant and where applicable according to the type of activity, IMA has authorization from the authority and adheres strictly to the requirements: in particular, where required, self-control **chemical analyses** are performed annually by independent external laboratories to verify compliance with the emission limits. The results of this self-monitoring are recorded in special stamped registers which are at the disposal of the competent control authorities (ARPA, Province). All emission abatement/filtration systems at the service of these plants are the subject of periodic maintenance and cleaning, so that they are always in a state of efficiency. Overall, it can be considered that IMA's plant emissions produce a **low level of pollution**: the pollutants generally consist of particulate and oil mist (which are filtered and abated several times before emission). The limits set by the current regulations and authorizations have never been exceeded.

To develop its commitment with regard to direct and indirect emissions and gradually reduce them over time, in 2012, 2013 and 2014, IMA joined the **Supply Chain Programme of the Carbon Disclosure Project** and, from 2014, to the **Main Programme of the same Project** (see box): this project, which is aimed at companies, consists of implementing strategies to gradually reduce their emissions, also involving their partners along the entire supply chain, and manage the environmental risks associated with climate change. Every year companies participating in the Main Programme of the CDP are required to **report their emissions** (all calculated in terms of emissions

of carbon dioxide equivalent (or CO₂e) in order to monitor them and, if possible, establish a **plan to reduce them over time**: the reported **data** are **made public by the CDP**, available to international investors, in order to guide their investment decisions towards companies that have a profile that is more sustainable for the environment. As for the Italian listed companies which participate in this international Project, disclosure (i.e. the public dissemination of such data) takes place as part of a ceremony at the headquarters of Borsa Italiana: with reference to the "Disclosure 2014", **IMA S.p.A. won a prize as the "Best Newcomer 2014"**, i.e. the Italian company that, among those which joined the Main Programme of the CDP for the first time in 2014, got the highest score in terms of transparency and commitment in reducing its emissions.

IMA calculates its carbon footprint in terms of CO₂ equivalent, reporting:

- **The direct emissions (scope 1)** from operating the plant and equipment owned by the Company, such as thermal plants (natural gas consumption), plants using diesel fuel, company cars, air-conditioning systems.
- **The indirect emissions (scope 2)** from energy consumption of all plants.
- **Indirect emissions (scope 3)** not resulting from energy consumption, i.e. the emissions attributable to the production of waste, or caused by employee mobility (i.e. transport to work and back) or emissions from air travel by employees.



Since 2014, IMA decided to publish its data in the **“CDP” section of the website** dedicated to investors, making them freely available to a wider audience. The next step in the measurement of emissions is to draft an Improvement Plan with the objective of limiting and reducing emissions.

Different interventions have been implemented and scheduled with a view to a reduction plan that develops over a five-year time scale.

In this regards, it should be noted that for the larger plant, which is also the registered office of the parent company IMA S.p.A., electricity for the whole of 2014 was supplied exclusively from certified renewable resources: this made it possible to save more than 2,200 tonnes of CO₂ equivalent as an indirect emission.

Carbon Disclosure Project (CDP)

Carbon Disclosure Project is an international non-profit organisation that provides companies, governments and investors with the only comprehensive system for environmental measuring and reporting, encouraging companies to make information on the environmental impact of their activities available and to take steps to mitigate them.

There are more than 3,700 organizations in the countries with the highest economic development that recognize their emissions of greenhouse gases and analyse the risks and opportunities related to climate change through the CDP.

In 2014, IMA joined **two important initiatives** promoted by CDP:

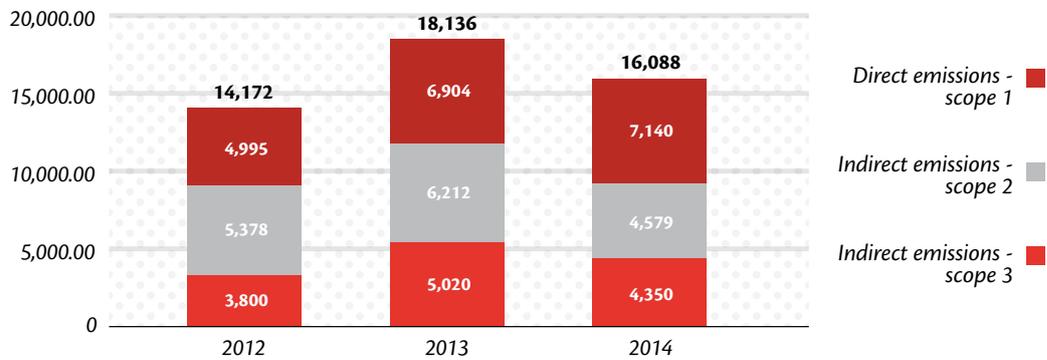
- For the third year running, as a supplier of a multinational company joining the CDP, IMA took part in the **CDP’s Supply Chain Programme**.
- During the first year, IMA participated as a company listed in the **CDP’s Climate Change Programme**.

CDP’S CLIMATE CHANGE PROGRAM: IMA “BEST NEWCOMER 2014”

The environmental performances of Italian companies improved during 2014: direct emissions of CO₂e decreased by 7%, while investments in the reduction and mitigation of their impact on climate change totalled 3.4 billion euros (+27% compared with 2013). These are the main results that emerge from the **CDP Italy 100 Climate Change Report 2014**, which analyses information on environmental impact provided by the top 100 listed Italian companies.

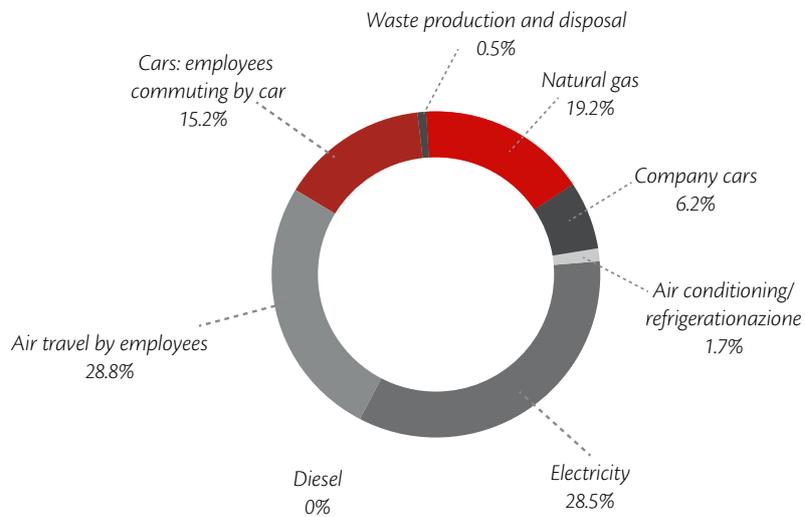
IMA has been included in the CDP Italy 100 Climate Change Report 2014. Thanks to its environmental performance, **IMA received the title of “Best Newcomer 2014”**.

TREND IN IMA’S CARBON FOOTPRINT (tonnes of CO₂e)



In relative terms, comparing the emissions of CO₂e to the surface area owned by IMA at 31 December 2014, there has been a 18% reduction of emissions per square metre compared with an increase of 7.7% of total square metres.

2014 EMISSION FACTORS (tonnes of CO₂)



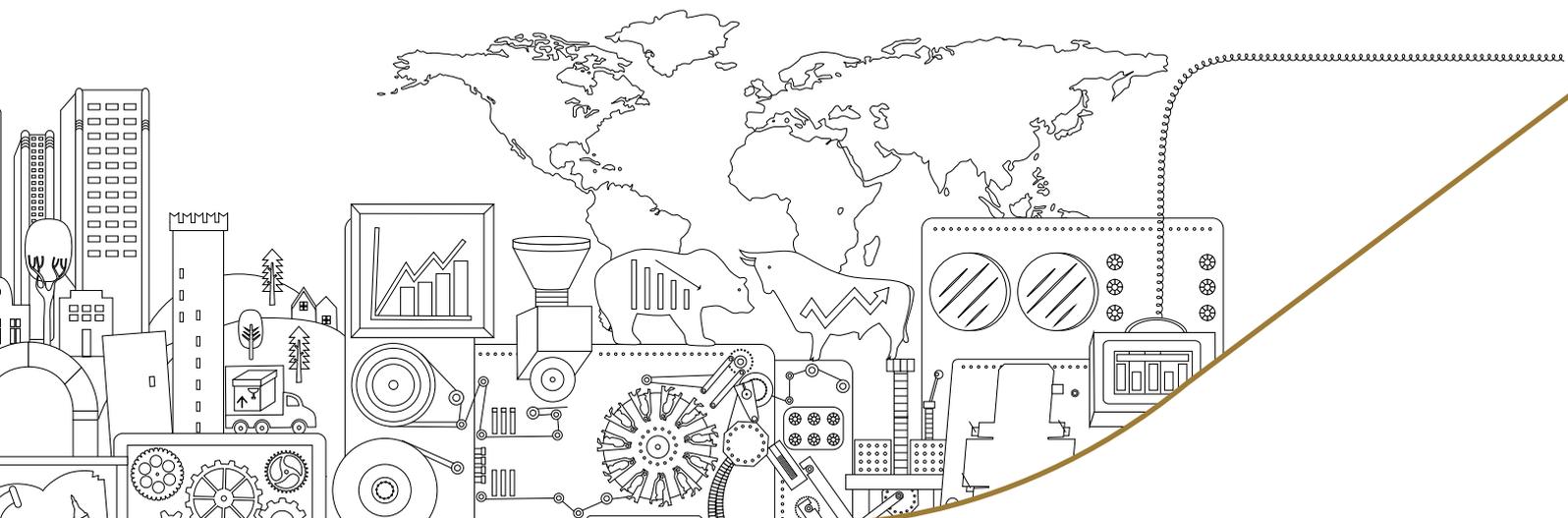
Related emissions compared with the surface area of IMA's offices/plants - Tonnes of CO ₂ e/sq.m.	2012	2013	2014	Var.
DIRECT EMISSIONS - SCOPE 1	0.0302	0.0353	0.0284	-20%
INDIRECT EMISSIONS - SCOPE 2	0.0428	0.0437	0.0299	-32%
INDIRECT EMISSIONS - SCOPE 3	0.0398	0.0486	0.0466	-4%
TOTAL EMISSIONS (Tonnes of CO₂e/sq.m.)	0.1128	0.1276	0.1050	-18%

KEY:

SCOPE 1 (Direct emissions): Produced by the Company's plant and machinery; thermal plants (natural gas consumption), plants using diesel fuel, company cars, air-conditioning systems

SCOPE 2 (Indirect emissions): Consumption by all plants of externally supplied energy (electricity)

SCOPE 3 (Indirect emissions): Not resulting from energy consumption; emissions attributable to the production of waste, employee mobility and air travel by employees.



Initiatives to reduce greenhouse gas emissions and results achieved

In 2014, IMA implemented **two specific initiatives for the reduction of greenhouse gas emissions** by reducing electricity consumption, especially for the Via Emilia

site: 1) greater efficiency in turning certain centralized systems on/off; 2) purchase of electricity from renewable sources. The emission reduction results show that IMA managed to avoid emitting more than 2,300 tonnes of CO₂ equivalent.

Initiatives for the Via Emilia site	Savings achieved
Centralized system for turning on/off	<p>65,264.27 kwh saved: 25,285 tonnes of CO₂e</p> <p><i>Note: Conversion factor: ISPRA 2014 (1 kwh = 0.3853 kg CO₂e). The estimated savings in kWh is made by comparing the site's consumption of a normal working day with consumption recorded in days of holiday, when most of the plant has been shut down.</i></p>
Purchase of electricity from renewable sources	<p>2,290 tonnes of CO₂e</p> <p><i>Note: Conversion factor indicated by the supplier at the time of conclusion of the contract (1 kwh of energy purchased from renewable sources = 0.53 kg of CO₂e avoided).</i></p>

Other emissions

IMA's activities involve low emissions of NO_x (nitrogen oxides), SO₂ (sulphur dioxide), volatile organic compounds and particulate resulting from combustion in the plants' thermal power stations, only for heating and non-productive purposes. In terms of CO₂ emissions, these are already included in previous calculations derived from the consumption of natural gas.



Energy management

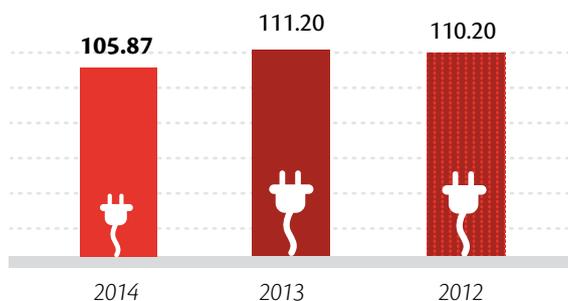
Energy management is a key area to reduce direct and indirect emissions and achieve cost savings at the same time: which is why IMA makes particular efforts to optimize consumption. To this end, several **energy audits** have been carried out in recent years by specialist consultancies, with the aim of identifying the processes that have the greatest impact on energy consumption and on which to implement targeted interventions (the type of consumption that has the greatest impact for IMA is electricity consumed by the production plants).

There are various ways of reducing energy consumption, ranging from the adoption of responsible behaviour on the part of personnel (for example, employees are invited to turn off their computer screens at the end of the working day), to investment in low energy lighting, the implementation at the production plants of centralized systems for the control of technological plants, so as to plan their functioning and switching on/off to reduce waste as much as possible (for example, due to night consumption or consumption during weekends or public holidays).

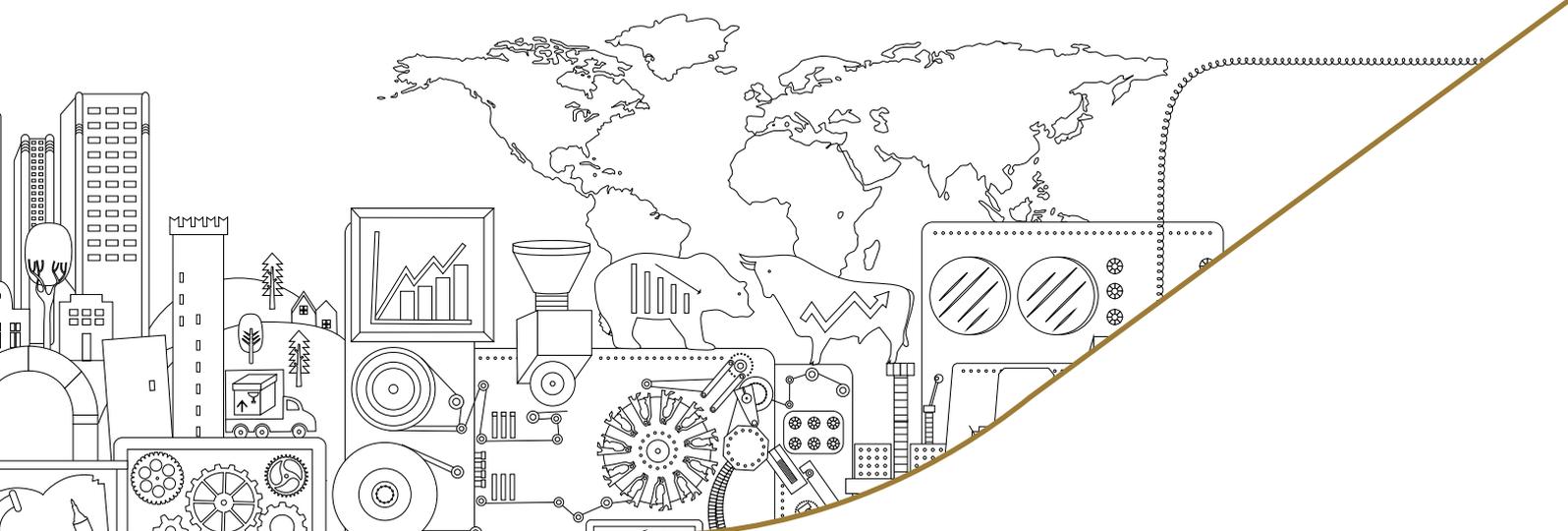
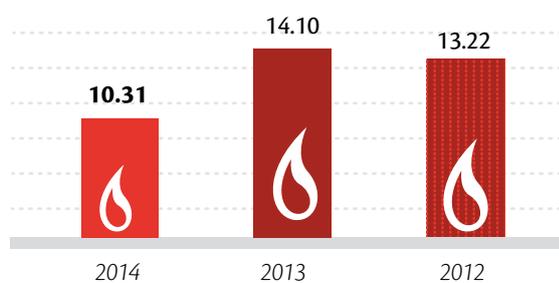
SUMMARY OF THE THREE-YEAR TREND IN CONSUMPTION

	2014	2013	2012	Δ 2014/2013
Electricity kwh/year	16,204,976	15,802,829	13,842,301	14.16%
Natural gas cu.m./year	1,578,523	2,003,476	1,660,813	20.63%

ELECTRICITY CONSUMPTION/TOT SQ.M. (kwh/year per sq.m.)



CONSUMPTION OF NATURAL GAS/TOT SQ.M. (cu.m./year per sq.m.)



During the last year, there was a slight increase in the **electricity consumption** by companies of the IMA Group (about +2.5%). The figure still represents a positive indicator of the results achieved by the Group in terms of reducing electricity consumption, given that, at the same time, there was a further expansion in the number of industrial plants of the Group, which in 2014 also recorded a sharp increase in terms of revenues, personnel and production areas. Comparing electricity consumption to the surface area owned by IMA in Italy, it can be seen how this indicator has actually decreased (from more than 111 kWh/sq.m. in 2013, to around 106 kWh/sq.m. in 2014). It should also be noted that more than 25% of the total electricity consumed comes from renewables: it is the first year that IMA has bought **electricity from renewable sources** (at a slightly higher cost), confirming the attention paid by the Company in this respect.

As regards the overall consumption of **gas**, it has decreased by more than 21%; however, it has to be said that, in addition to the Company policies explained above, a contributory factor in achieving this result was the mild winter in 2014 compared with the previous year (consumption went from 14.10 cu.m./year per sq.m. in 2013 to 10.31 in 2014).

INVESTMENTS IN ENERGY EFFICIENCY AND THE USE OF CLEAN ENERGY

In 2014, reflecting the Company's **commitment to efficient management of energy resources** and thanks to the implementation of centralized control systems for the technological plants in the main buildings, IMA reduced its electricity consumption by over 65,000 kWh (figures only for the site in Via Emilia 428/442, Ozzano dell'Emilia), with savings of almost 10,000 euros. In order to reduce the impact on the environment, thanks to a special agreement with the supplier, IMA took steps to procure 100% of the electricity used at its largest site, i.e. the registered office of the parent company IMA S.p.A. (Via Emilia 428/442, Ozzano dell'Emilia) exclusively from renewable sources: out of a total of over 4,320 MWh, 18% was supplied by a wind energy source, 18% by bio-liquid production, 19% by solid biomass and 46% by an ocean hydroelectric source. This source of renewable energy is certified by appropriate GO (Guarantee of Origin certificates) issued by the entity that supplies electricity to IMA.

In addition, a 19.5 kWp photovoltaic plant was installed at the beginning of 2014 at the plant of Revisioni Industriali S.r.l. (site in Via Nobel 34, Ozzano dell'Emilia); the plant started operations in May 2014 and has produced about 13,165 kWh of electricity.



Water procurement and discharges

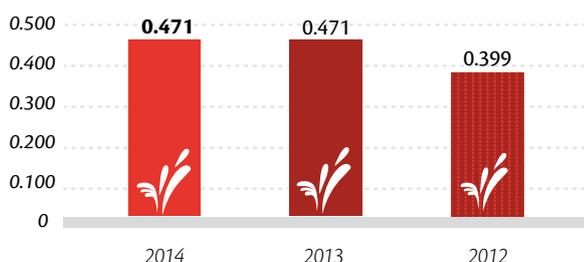
In addition to the normal consumption of water for sanitary use, IMA's production cycle requires water to be used for technological purposes linked to the testing of automatic machines once they have been assembled. It is therefore of interest for the Company to develop strategies in the future for the re-use and recovery of such water, which would result in lower consumption and costs, as part of the environmental management system that is currently being implemented. **Water is sourced** from the municipal water supply (used for over 96% of requirements in 2014) as regards the water used for sanitary purposes and production processes (washing automatic machines, testing the machines with demineralized water, washing them after testing with trial products).

On the other hand, water drawn from underground wells, if available, is used for watering greenery at the plants. Compared with 2013, water consumption has decreased in absolute terms by 8.8%, despite the increased surface area of IMA's plants and the increase in the number of employees (around +8%); in relative terms, consumption per employee has been reduced from more than 32 cu.m./year per employee to 27 cu.m./year per employee. There have been no significant losses in the internal water system, confirming the effectiveness of management measures introduced.

The waste water discharged by IMA's plants consists exclusively of domestic-type waste from toilets, and, where present, canteens, as well as the rainwater washing the courtyards of the production facilities.

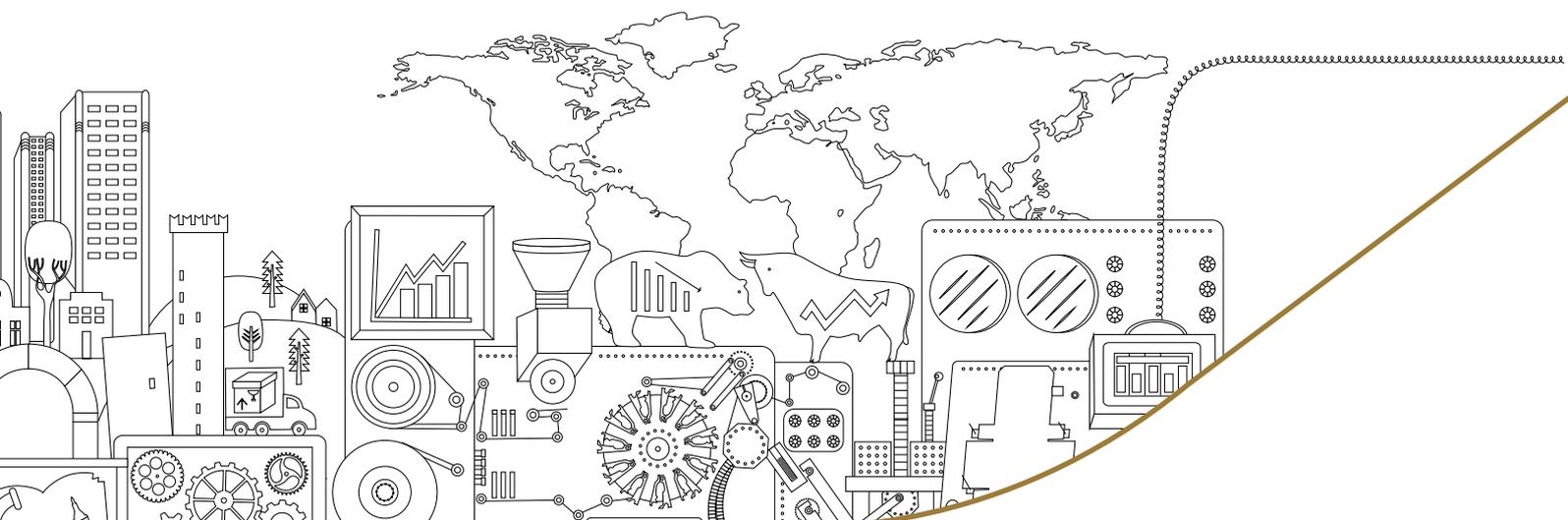
These run-offs are collected by the public sewer system in accordance with local regulations. Any liquid effluent originating from the Company's production activities is collected and stored as **waste** and then disposed of according to the law, preferably in purification facilities.

WATER CONSUMPTION (cu.m/year per sq.m.)



SUMMARY OF THE THREE-YEAR TREND IN CONSUMPTION

	2014	2013	2012	Δ 2013/2012	Δ 2014/2013
Water m ³ /year	61,081	67,004	59,124	13.33%	-8.84%
m ³ /year per m ²	0.40	0.47	0.47	0.2%	-15.4%



Waste management

The **type of waste** generated by IMA's production activities consists mainly of **mixed packaging materials**, such as plastics and the like, cardboard and wood. In addition, the plants that carry out mechanical processes on metal surfaces with chip removal generate waste consisting of residues such as iron and aluminium filings, ferrous scrap and other metals, such as aluminium, bronze and brass. To a lesser extent, we also have to consider the **waste resulting from the testing of the automatic machines** produced by IMA; tests that are performed with the materials to be packaged, sent directly by the end users (mainly pharmaceuticals and food (tea, coffee, stock cubes, cheese) and cosmetics that are already wrapped in primary packaging).

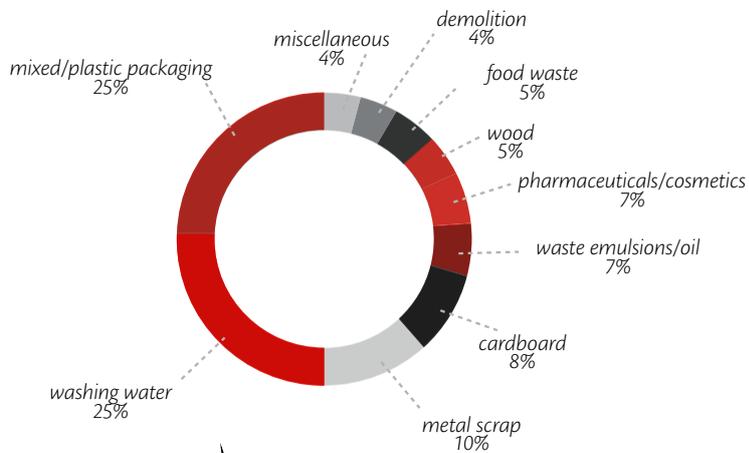
Lastly, as regards **liquid waste** (which is in any case disposed of safely, so not discarded), IMA's plants produce waste in the form of oily emulsions and used mineral oils generated by maintenance activities on workshop machine tools and on automatic machines being assembled and tested. Besides these, other liquid waste products are

waste water solutions from the washing of automatic machines after they have been tested with trial products and trials with demineralized water.

All types of waste produced by the Company are collected separately by type and disposed of in compliance with the law (preferably taking them to specialist disposal facilities that treat them with a view to recycling). This takes place at each plant, where the workers involved in the collection and storage of waste have to comply with specific procedures of the environmental management system currently in force. **Office areas also have to separate their refuse** (toner, paper, cardboard, etc.), as do the refreshment areas and canteens: all employees have been trained and informed about the criteria for waste separation.

64.7% of the waste products produced by IMA in 2014 (61.5% in 2013) are **recycled** (mixed packaging, paper/cardboard, wood, glass, mineral oil, metal scrap, obsolete electrical equipment), whereas only a minor portion (less

TYPE OF WASTE 2014



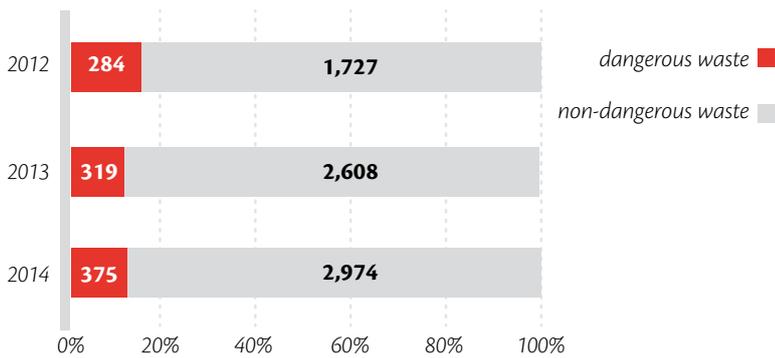
than 2%) goes into landfills (only filter bags for tea and other herbal blends used for testing the tea-bag packaging machines).

In 2014, about 10% of waste was sent to an incinerator: this includes residues from testing packaging machines (for packaged drugs and cosmetics), which were sent to a storage centre that carries out a preliminary treatment on them, which makes it possible to implement energy recovery.

Against an overall 14.4% increase in waste produced in 2014 compared with 2013, the increase in relation to surface area was limited to 6.2%.

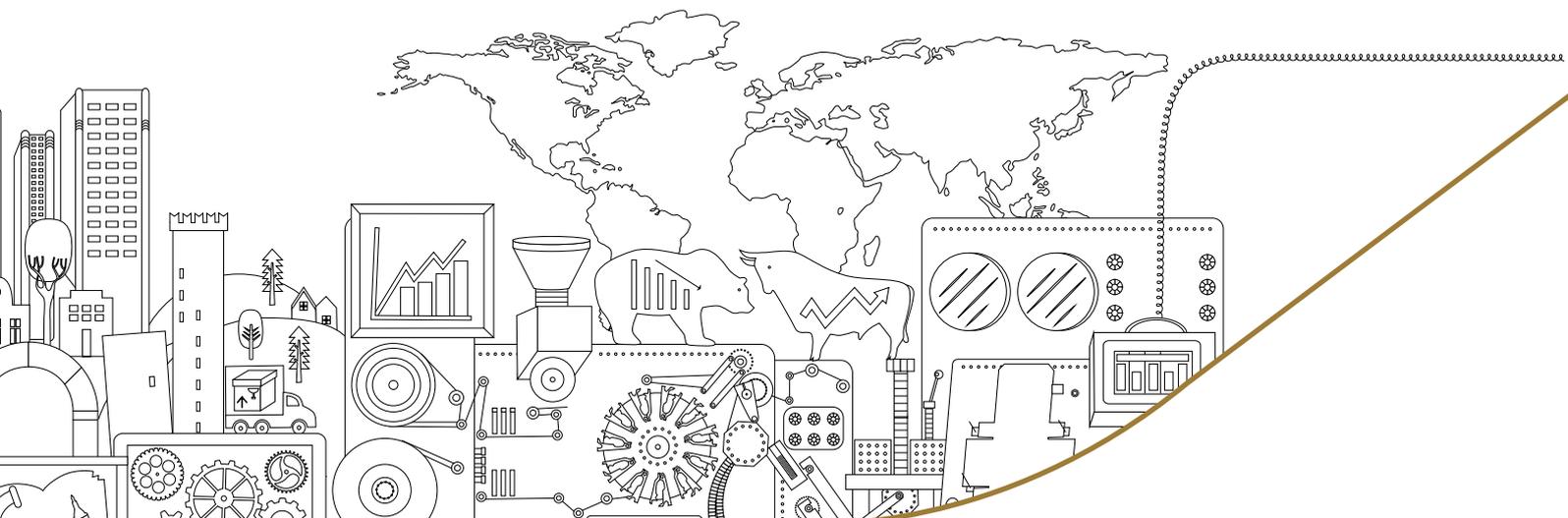
There were no spills or discharges of waste water containing chemicals/waste or fuels, neither in 2013 nor in 2014, reflecting successful implementation of the procedures that constitute the Company's environmental management system and the training and care of staff.

WASTE PRODUCED (tonnes)



SUMMARY OF THE THREE-YEAR TREND IN WASTE

	2014	2013	2012	Δ 2013/2012	Δ 2014/2013
Tonnes/year	3,348	2,927	2,011	45.56%	14.42%
Kg/year per sq.m.	21.88	20.59	16.01	28.66%	6.23%



Appendix: GRI table of contents

The following table identifies the location of the information required by the GRI G4 guidelines, CORE level, indicating the page number where the subject is discussed. Any notes placed under the GRI indicator indicate an ad-

ditional comment or the fact that no information is available. Please note that the Social Responsibility Report has not been subjected to external verification.

CODE	INDICATOR	PARAGRAPH PAGE
STRATEGY AND ANALYSIS		
G4-1	Statement of the Managing Director and the Chairman on the importance of sustainability for the organization and its strategy	5
ORGANIZATIONAL PROFILE		
G4-3	Name of the organization	10
G4-4	Main trademarks, products and/or services	11
G4-5	Location of the organization's head office	112
G4-6	Number of countries where the organization operates	10
G4-7	Ownership structure and legal form	14
G4-8	Markets served	11, 35
G4-9	Size of the organization	10
G4-10	Number of employees by type of contract, region and gender	60
G4-11	Percentage of employees covered by collective bargaining agreements. <i>Comment: All personnel are covered by national collective bargaining agreements</i>	66
G4-12	Description of the supply chain	50
G4-13	Significant changes during the reporting period. <i>Comment: there are no significant changes</i>	-
G4-14	Explanation of the application of the prudent approach <i>Comment: IMA adopts the prudent approach to reduce the environmental impact of production processes and products, according to principle 15 of the UN Declaration of Rio de Janeiro in 1992</i>	-
G4-15	Acceptance of codes of conduct	13
G4-16	Membership of associations	85



MATERIAL ASPECTS AND SCOPE OF REPORTING		
G4-17	List of companies included in the consolidated financial statements and indication of the companies not included in the report	28
G4-18	Process of defining the content of the financial statements	21
G4-19	List of issues identified as material	23
G4-20	Indication of the scope of consolidation for each material aspect (within the organization) <i>Comment: IMA will report any information that is missing as from the next Report</i>	-
G4-21	Indication of the scope of consolidation for each material aspect (outside the organization) <i>Comment: IMA will report any information that is missing as from the next Report</i>	-
G4-22	Explanation of the effect of changes in the calculations <i>Comment: no changes</i>	-
G4-23	Significant changes compared with the previous reporting period. <i>Comment: there are no significant changes</i>	-
INVOLVEMENT OF STAKEHOLDERS		
G4-24	List of stakeholder groups which the organization tries to get involved	23
G4-25	Basis for identification and selection of the main stakeholders to try to get involved	23
G4-26	Approach to stakeholder involvement, including frequency by type of activity and stakeholder group	23
G4-27	Key topics and concerns raised from stakeholders' involvement; description of how the organization responded to critical issues <i>Comment: IMA will report any information that is missing as from the next Report</i>	-
PROFILE OF THE REPORT		
G4-28	Reporting period	6
G4-29	Date of publication of the latest financial statements	112
G4-30	Reporting frequency	6
G4-31	Contact information for questions regarding the financial statements and their contents	112
G4-32	Indication of the "In accordance" option and GRI table of contents	102
G4-33	External assurance of the report <i>Comment: the report has not been subjected to external verification</i>	-
CORPORATE GOVERNANCE		
G4-34	Governance structure of the organization	17
ETHICS AND INTEGRITY		
G4-35	Mission, values, codes of conduct and principles	12



CODE	INDICATOR <i>DMA = Disclosure on Management Approach</i>	PARAGRAPH PAGE
CATEGORY: ECONOMIC		
Economic Performance		
DMA		
G4-EC 1	Direct economic value generated and distributed	32
Market presence		
DMA		
G4-EC 6	Procedures for hiring persons living near where operations mainly take place and the proportion of senior managers recruited from the local community	60
Indirect economic impacts		
DMA		
G4-EC 7	Development and impact of infrastructure investments and services provided primarily for "public utility"	34
G4-EC8	Analysis and description of significant indirect economic impacts considering externalities generated (for IMA, for example: relationship with suppliers, rescue of companies through acquisitions, start-ups, training and education in schools, cluster)	34
Procurement practices		
DMA		
G4-EC 9	Proportion of spending concentrated on local suppliers in relation to key locations of operations	53
CATEGORY: ENVIRONMENT		
Materials		
DMA		
G4-EN 1	Materials used by weight and volume <i>Comment: IMA will report any information that is missing as from the next Report</i>	90
Energy		
DMA		
G4-EN3	Energy consumption within the organization	97
G4-EN4	Energy consumption outside the organization	97
G4-EN5	Energy intensity ratio	97
G4-EN6	Reduction of energy consumption	97



Water		
DMA		
G4-EN8	Total water withdrawal by source	99
G4-EN9	Withdrawal sources significantly affected by water withdrawals	99
G4-EN10	Percentage and total volume of water recycled and reused. <i>Comment: at present, no opportunities for use have been identified</i>	-
Biodiversity: non-material aspect		
Emissions		
DMA		
G4-EN15	Direct greenhouse gas emissions	93
G4-EN16	Greenhouse gas emissions generated by energy consumption	93
G4-EN17	Other indirect greenhouse gas emissions	93
G4-EN18	GHG intensity ratio	93
G4-EN19	Reduction of greenhouse gas emissions	93
Waste		
DMA		
G4-EN23	Total weight of waste by type and disposal method	100
G4-EN24	Total number and volume of significant accidental losses	100
G4-EN25	Dangerous waste	100
Products and services		
DMA		
G4-EN27	Size of reduction of the environmental impacts of products and services	90
G4-EN28	Percentage of products sold and their packaging materials that are recovered, broken down by category <i>Comment: not applicable</i>	-
Compliance		
DMA		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations <i>Comment: no sanctions, whether monetary or non-monetary</i>	-
Transport		
DMA		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's activities, and impact of employee mobility <i>Comment: IMA will report any information that is missing as from the next Report</i>	-



General		
DMA		
G4-EN31	Total environmental expenditures and investments by type <i>Comment: IMA will report any information that is missing as from the next Report</i>	-
Environmental assesment of suppliers		
DMA		
G4-EN32	Percentage of new suppliers evaluated based on environmental criteria <i>Comment: IMA does not currently carry out this type of assessment</i>	-
Mechanism for handling compliants about environmental issues		
DMA		
G4-EN34	Number of complaints about environmental impacts received, addressed and resolved through formal mechanisms for handling complaints <i>Comment: none</i>	-
CATEGORY: SOCIAL		
LABOUR PRACTICES AND DECENT WORKING CONDITIONS		
Employment		
DMA		
G4-LA1	Total number of hires and turnover rate by group of age, gender and region	60
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by main activity	60
G4-LA3	Return to work and rate of return as a result of parental leave	60
Work/industrial relations		
DMA		
G4-LA4	Minimum notice period for operational changes, including whether the notice period is specified in national labour contracts. <i>Comment: IMA adopts the provisions of the national labour contract that contains the definition of a minimum period of notice to personnel in the event of operational or organizational changes</i>	-
Health and safety at work		
DMA		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and inform on programmes of health and safety at work	68
G4-LA6	Type of accident, accident rate, occupational diseases, lost work days and absenteeism and number of work-related fatalities by region and gender. <i>Comment: IMA will report any information that is missing as from the next Report</i>	-
G4-LA7	Workers with a high incidence or high risk of injury or occupational disease	68



G4-LA8	Health and safety topics covered in formal agreements with trade unions. <i>Comment: the in-house supplementary agreement provides for additional health and accident insurance cover</i>	-
Training and education		
DMA		
G4-LA9	Average hours of training per employee per year, by gender and by category	71
G4-LA10	Programmes for skills management and continuous learning that support the ongoing employability of personnel and assist them in managing the end of their career	71
Diversity and equal opportunity		
DMA		
G4-LA12	Composition of governance bodies and breakdown of employees by category according to gender, age groups, membership in minority groups and other diversity indicators	73
Equal remuneration for men and women		
DMA		
G4-LA13	Ratio between men and women's basic salary by grade and qualification <i>Comment: IMA will report any information that is missing as from the next Report</i>	-
Evaluation of suppliers on the basis of working policy and conditions		
DMA		
G4-LA14	Percentage of new suppliers evaluated on the basis of work-related criteria <i>Comment: IMA monitors strategic suppliers (where it has a shareholding) also on regulatory issues (e.g. health and safety). For other suppliers it has not yet initiated such programmes. In 2014, no specific work-related assessments were carried out on new suppliers</i>	-
Mechanism for complaints about working conditions		
DMA		
G4-LA16	Number of complaints relating to the impacts on work received, addressed and resolved through formal mechanisms for handling complaints <i>Comment: None</i>	-
HUMAN RIGHTS		
Capital expenditure		
DMA		
G4-HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have been subject to evaluation. <i>Comment: IMA S.p.A. applies constant attention to respect for human rights but does not envisage additional clauses to the Code of Ethics prescribed by Model 231; also because there are no investments or contracts at risk</i>	-
G4-HR2	Total hours of employee training on policies and procedures concerning aspects of human rights relevant to operations, and percentage of workers trained <i>Comment: training on the Code of Ethics</i>	-



Non-discriminations		
DMA		
G4-HR3	Total number of episodes involving discriminatory practices and action taken <i>Comment: no such episodes</i>	-
Freedom of association and collective bargaining: non-material aspect for companies included in the scope of reporting		
Child labour: non-material aspect for companies included in the scope of reporting		
Forced labour: non-material aspect for companies included in the scope of reporting		
Security practice: non-material aspect for the companies included in the scope of reporting		
Rights of the local community: non-material aspect for the companies included in the scope of reporting		
Evaluation		
DMA		
G4-HR9	Number and percentage of areas of operations subject to inspections concerning human rights <i>Comment: IMA S.p.A. has committed to comply with all local laws and obligations under the contract of employment or trade union agreements signed or any other commitments made by the company with regard to respect for human rights. In this regard, checks have never shown evidence of violation</i>	-
Evaluation of suppliers on the basis of human rights		
DMA		
G4-HR10	Percentage of new suppliers evaluated on the basis of criteria relating to human rights <i>Comment: IMA monitors strategic suppliers (where it has an equity interest) based on its Model 231. For other suppliers it has not yet initiated such programmes. In 2014 no specific assessments concerning human rights were carried out for new suppliers</i>	-
Mechanism for resolving complaints		
DMA		
G4-HR12	Number of complaints about human rights received, addressed and resolved through formal mechanisms for handling complaints <i>Comment: no complaints received</i>	-
Company		
Local communities		
DMA		
G4-SO1	Percentage of operational areas with implementation of programmes involving the local community, impact assessment and development	76
G4-SO2	Areas of operation with current and potential significant negative impacts on local communities. <i>Comment: none</i>	-
Anti-corruption		
DMA		
G4-SO3	Percentage and total number of operational areas analysed for risks relating to corruption and related risks identified <i>Comment: This type of risk is monitored by the Supervisory Board for the entire organization (100%)</i>	14



G4-SO4	Communication and training on anti-corruption policies and procedures. <i>Comment: through Model 231 training</i>	-
G4-SO5	Incidents of corruption and action taken. <i>Comments: None</i>	-
Public policy		
DMA		
G4-SO6	Total value of political contributions, by country and recipient <i>Comment: IMA S.p.A. has not paid any contributions for political purposes</i>	-
Unfair competition		
DMA		
G4-SO7	Total number of law suits for anti-competitive behaviour, anti-trust and monopoly practices and their results <i>Comment: none</i>	-
Compliance		
DMA		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws or regulations <i>Comment: none</i>	-
Evaluation of suppliers based on impact of the company		
DMA		
G4-SO9	Percentage of new suppliers assessed on the basis of criteria that address the impact on the company <i>Comment: IMA monitors strategic suppliers (where it has an equity interest) based on its Model 231. For other suppliers it has not yet initiated such programmes. In 2014 no specific assessments concerning such impacts were carried out for new suppliers</i>	-
Mechanism for complaints relating to impact on the company		
DMA		
G4-SO11	Number of complaints relating to impact on the Company received, addressed and resolved through formal mechanisms for handling complaints. <i>Comment: none</i>	-
PRODUCT LIABILITY		
Health and safety of workers		
DMA		
G4-PR1	Percentage of product categories and services for which the impact on health and safety is assessed	68
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle <i>Commento: Nel 2014 non sono stati segnalati né verificati casi di non conformità</i>	-



Products and services labeling		
DMA		
G4-PR3	Type of information about products and services required by procedures and percentage of products and services subject to such information requirements	47
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning information and labelling of products/services <i>Comment: None</i>	-
G4-PR5	<i>Results of surveys of customer satisfaction</i>	49
Marketing activity		
DMA		
G4-PR6	Sales of products banned or challenged <i>Comment: not applicable</i>	-
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship <i>Comment: None</i>	-
Consumer privacy		
DMA	<i>Comment: IMA complies with the legislation on the processing of personal data.</i>	-
G4-PR8	Number of complaints regarding breaches of customer privacy and loss of customer data <i>Comment: No complaints received</i>	-
Compliance		
DMA		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products or services. <i>Comment: No sanctions</i>	-





Our heartfelt thanks go to the working group, coordinated by the Corporate Communications Department, that made it possible to collect and process the data and information included in this report.

The working group is made up of the following entities:

Administration, Finance and Control
Corporate Communications
Chairman's Office
Quality and Compliance, Internal Audit
Research and Innovation
Human Resources
General Services, Environment and Safety
Production Systems

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