



Profile of a Sustainable Company



Agmentam

2012
>13

Reading guide

This is the first edition of IMA's Profile of a Sustainable Company. It is a tool that serves to explain the responsible style of management of a Group that is committed to increasing the ability to generate value while respecting the various forms of balanced sustainability (economic, social and environmental).

For IMA, being a Sustainable Company means ensuring that its activities are environmentally sound, socially just and economically viable, meeting the expectations of all stakeholders who, directly or indirectly, are involved in its business (shareholders, investors, end users, employees and consultants, and society in general)*.

This first edition of the Profile is based on IMA's activities in Italy during 2012. 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.

Various company departments have been involved in preparing this publication. Our heartfelt thanks go to the working group, coordinated by Corporate Communications, that made it possible to collect and process the data and information included in this report.

* Please refer to the glossary on page 102 to facilitate reading this report.

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Graphic design by **Mediamorphosis***

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Letter from the Chairman

The constant evolution of macroeconomic scenarios and a new perception of corporate responsibility have led us to accelerate the path to corporate sustainability adopted some time ago. Today, IMA's approach to sustainability is a genuine strategic choice. This is why we decided to publish our first Profile of a Sustainable Company, based on the three pillars of sustainability.

Sustainable innovation

IMA has grown over the decades thanks to its ability to question itself and make constant improvements, researching innovative solutions for the benefit of all stakeholders, both upstream and downstream in the value chain. By combining industrial development and sustainability, IMA has always tried to generate economic value, widespread prosperity and environmental benefits, all at the same time.

Putting people centre-stage

In a competitive environment particularly oriented towards innovation, a company's "human capital" is of fundamental importance. Given that each of IMA's products is customized and partially redesigned to adapt to specific needs, the contribution of individual talents within a well organized team is the key to the Group's success. In addition to researching and developing skills and abilities, IMA bases its relationship with its employees on respect, dialogue, protection of health, recognition of merit, and well-being inside and outside the Company.

Social responsibility

The large multinationals which are our customers and our stakeholders require from us a new form of partnership, demanding high quality standards not only in our products and services, but also in an ethical approach and corporate social responsibility (environmental protection and use of non-renewable resources, human rights, intergenerational equity, and protection of the community's social capital). IMA's natural response to this new phase takes the form of action in favour of the territory, with projects of social benefit and inclusion, healthcare, solidarity sourcing, and support for culture, sport and education.

IMA's first Profile of a Sustainable Company certainly does not exhaust all of the activities and results achieved in 2012, but we want it to provide an overall picture of the value actually created. We trust that this Profile will give an idea of the daily commitment made by our Group and by all of those who work for it, to achieve sustainable growth at all levels, for benefit of ourselves and of our stakeholders.

The Chairman
Alberto Vacchi



IMA's identity

1

WORLD LEADER

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

IMA INDUSTRIES

IMA PHARMA

Consolidates sales in 2012:



million euros (+9.7% on 2011)

MAIN BRANDS

EXPORT: 93% of sales

more than 50 years of history

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

Extensive sales network covering more than

more than 3,300 employees, including more than 1,900 in Italy

70 countries

22 manufacturing plants

in Italy, Europe, USA, India and China

Who we are and what we do

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 2012 with consolidated revenues of 734.3 million euros, of which 93% is for export.**

The Group chaired by **Alberto Vacchi** has over **3,300 employees**, including more than 1,900 in Italy, and is present in over 70 countries, supported by a network consisting of 15 branches (France, Spain, UK, Germany, Austria, Poland, Russia, USA, China, Thailand and Brazil), representative offices in Central and Eastern Europe and more than 50 agencies. The Group has **22 manufacturing plants** in Italy, Europe, USA, India and China, where it has set up a production joint-venture.

IMA S.p.A. has been **listed on the Milan Stock Exchange since 1995**, joining the STAR segment in 2001.

The Company has filed about **1,200 patents worldwide**, it has more than 400 technicians and engineers involved in product innovation and has launched several new models of machines 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.

The organisational structure of the Group consists of two main brands: **IMA Industries** and **IMA Pharma**.



IMA INDUSTRIES

IMA TEA&COFFEE
Tea & Coffee Packaging Solutions

IMA GIMN
Innovative Packaging Solutions

IMA R.I.
Quality Second Hand Machines

IMA GIMNTT
Smart Packaging Technologies

IMA BFB
End of Line Solutions

IMA Corazza
Dairy & Convenience Food Solutions

IMA Industries, the non-pharmaceutical sector of the IMA Group, is a world leader in the design and manufacture of automatic machines for the packaging of tea, coffee, beverage and confectionery, and for the processing and packaging of food (dairy and convenience food), cosmetics and toiletries, all capable of rapidly meeting clients' requirements and proposing integrated and highly marketing-oriented solutions.

IMA Industries includes six companies and divisions: Tea & Coffee Division, GIMA S.p.A., GIMA TT S.r.l., Corazza S.p.A., BFB Division, Revisioni Industriali S.r.l.



IMA PHARMA

IMA ACTIVE
Solid Dose Solutions

IMA LIFE
Aseptic Processing & Freeze Drying Solutions

IMA SAFE
Packaging Solutions

IMA LIFE NORTH AMERICA

IMA SAFE COMADIS

IMA LIFE BEIJING

IMA NORTH AMERICA

IMA LIFE NETHERLANDS

IMA SAFE P.G.

IMA LIFE JAPAN

IMA SAFE SWITZPACK

IMA LIFE ITALY

IMA LIFE PHARMASIANA

IMA Pharma is a world leader in the design and manufacture of automatic machines for the processing and packaging of pharmaceutical products thanks to a high technological profile and the ability to offer tailor-made solutions to satisfy the most sophisticated requests of the market. IMA Pharma includes three highly specialised divisions: IMA Active (Solid Dose Solutions), IMA Life (Aseptic Processing & Freeze Drying Solutions) and IMA Safe (Packaging Solutions).



What IMA can offer Italy and the world

The Group has 22 manufacturing plants in Italy, Europe, USA, India and China.

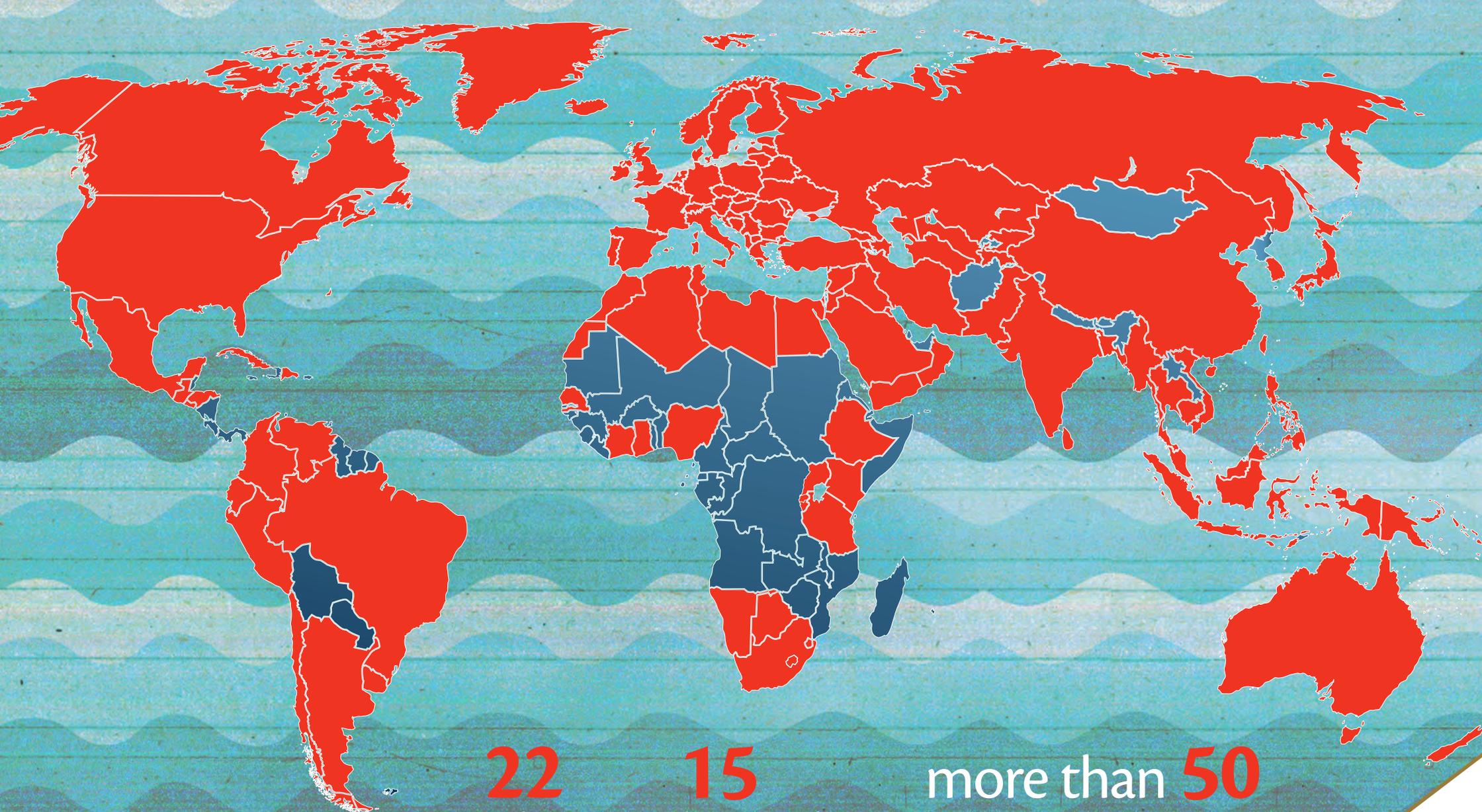
IMA also has **15 branches** located all over Europe, North America, South America and Asia, which are responsible for marketing and customer service in their respective areas. In areas not covered by the branches, there is a widespread network of more than **50 agencies**.

IMA has based its business model on a number of key factors that in time have led to a leadership position in the machinery field worldwide:

- State-of-the-art laboratories for research and development
- Continuous product innovation
- High levels of end user satisfaction and retention
- Excellent positioning thanks to its customer service network and the full range of products on offer
- High entry barriers (investment and know-how)

To achieve these results, IMA continues to invest in the high professionalism and motivation of its management team and all of its human capital, in potential growth (both organically and through strategic acquisitions) and in the development of products with high added value, which can command a higher premium in terms of price.





22
plants

15
branches

more than **50**
agencies

The products offered by the IMA Group are highly diversified: here is an overview of the range of machines designed and manufactured by IMA Industries and IMA Pharma.



Range of machines

- Tea bag packaging machines
- Packaging machines for coffee in filter paper pods
- Capsule filling machines
- Dosing & wrapping machines for dairy products and paste soup cubes
- Tableting machines for pressed soup cubes
- Packaging lines for cosmetics and toiletries
- Filling machines for cartons, bottles and other cases
- Cartoners for flat blanks
- Boxing machines for processed cheese
- Tray packing machines
- End of line solutions (overwrapping, casepacking, palletising)
- Advanced assembly technology solutions
- Second-hand machines



Applications

- Tea and herbs
- Coffee
- Confectionery
- Dairy
- Convenience food
- Cosmetics and toiletries
- Plastic components



Range of machines

- High shear mixer granulators
- Fluid bed equipment
- Tablet press machines
- Capsule filling machines
- Coating equipment for tablets and capsules
- Weight checking machines for capsules and tablets
- Powder handling systems
- Washing systems
- Machines for washing and sterilization of ampoules and vials
- Aseptic liquid filling and closing machines (syringes, ampoules and vials)
- Isolation technology and containment solutions
- Loading and unloading systems for freeze-drying machinery
- Freeze-drying machinery for the pharmaceutical industry
- Multifunction liquid filling and closing machines for pharmaceutical products
- Unit dose filling machines
- Aseptic powder filling machines
- Macro dosing powder filling machines
- Depacking machines
- Tray packing machines
- Blister packaging machines, with or without integrated cartoner
- Product On Demand for blister packaging
- Counting machines for capsules and tablets and complete counting lines
- Tube filling machines
- Continuous and intermittent motion cartoning machines
- Labelling machines for ampoules, vials and cartons
- End of line solutions (pharmaceutical industry)
- Integrated packaging lines



Applications

- Pharmaceutical industry
- Nutraceutical industry
- Cosmetics industry



Some of the IMA Group's major end users

Abbott
Actavis
Ahmad Tea
Amgen
Astellas
AstraZeneca
Baxter
Bayer
Bel Group
Bigelow Tea
Boehringer Ingelheim
Bristol-Myers Squibb
British American Tobacco
Cadbury Adams

Chupa Chups
CooperVision
Eisai
Eli Lilly
Fabbri 1905
GlaxoSmithKline
Groupe Lactalis
Groupe Soparind Bongrain
Halter
Johnson & Johnson
JVC
L'Oréal
Laurens Spethmann Holding
Lipton

Lotte
Menarini
Merck & Co.
Merck KGaA
Mondelez International
Nestlé
Novartis
Novo Nordisk
Nypro
Orimi Trade
Patheon
Perfetti Van Melle
Pfizer
Philip Morris

Procter & Gamble
Roche
Sanofi
Sara Lee
Sequist Closures
Technicolor
Tetley
Tetra Pak
Teva
The Coca Cola Company
Twinings
Unilever
Witor's
Wrigley



Our history and values

IMA 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. IMA evolved over the years from a small local firm to a multinational Group, its main characteristics being dynamism and innovation. The goal of business growth was constantly pursued both internally and externally through acquisitions.



◀ **1961**

- IMA Industria Macchine Automatiche s.a.s. founded



◀ **1963**

- 52% of IMA bought by the Vacchi family, the current reference shareholder
- Production of automatic tea bag packaging machines began

1974

- SO.TE.CO. established to sell IMA's products worldwide

1976

- IMA entered in the pharmaceutical industry with a revolutionary machine for the production of blisters



◀ **1980–1988**

- Subsidiaries set up in Great Britain, France, Germany, United States and Austria
- Acquisition of CMS, Zanasi, Farmatic, Farmomac, PM System and Cestind

1990

- Merger of these various companies with IMA S.p.A.

1991

- Acquisition of Win.Pack

1993

- IMA strengthened its presence in Japan through a joint venture with Omori



◀ **1995–1996**

- IMA listed on the Milan Stock Exchange in 1995
- BFB, Libra and Precision Gears (India) acquired

1997

- ISO 9001 Certification of IMA S.p.A.'s Quality System
- Presence in Japan strengthened by setting up a permanent establishment

1998

- New branch office set up in Portugal



2000

- Acquisition of Kilian (Germany) and of the GS Coating System business
- IMA Iberica set up as the new Spanish branch office

2001

- Acquisition of niche production lines in the pharmaceutical and cosmetics sectors, such as the Milan-based company CO.MA.DI.S.
- On 2 July 2001, IMA joined the STAR (Segmento Titoli ad Alti Requisiti/High Performance Securities Segment) of the Milan Stock Exchange
- Merger of SO.TE.CO. Italia and GS Coating System with IMA S.p.A.

2003

- Group presence increased in the Asian market



2004

- Merger of Libra with IMA S.p.A.
- Acquisition of Packaging System Holding (USA): this gave IMA a production facility in the United States

2005–2007

- Joint-venture with the Telstar Group (Spain)
- VIMA Impianti and Zanchetta acquired



2008

- Acquisition of the BOC Edwards Pharmaceutical Systems Group's freeze-drying business
- Acquisition of Edwards Tianli Pharmaceutical Systems (China)
- New Group organizational structure based on four divisions: IMA Flavour, IMA Active, IMA Life and IMA Safe

2009

- New branch opened in Brazil
- 51% of PharmaSiena Service acquired

2010

- Majority interest in GIMA acquired



2011

- Acquisition of the Sympak Corazza Group's Dairy & Convenience Food division and Chocolate & Confectionery business
- Agreement with SACMI to share ownership of CMH, the newco dedicated to the chocolate industry
- New Group organizational structure based on two main brands: IMA Industries and IMA Pharma

2012

- A very good year for the IMA Group, after a record 2011

2013

- Acquisition of a 40% interest in the ILAPAK Group (Switzerland)
- Acquisition of a 59% interest in Shanghai Tianyan Pharmaceutical Machinery (China)

The IMA Group's mission today

IMA is well aware of its **skill and ability in the multi-disciplinary design and manufacture of complex machinery and equipment.**

This is know-how that originates from the expertise developed over the past seven centuries in the Bologna area, helped by the potential for innovation and service offered by the rich network of component manufacturers and subcontractors that IMA has built up over the last fifty years or more.

The Group keeps in constant touch with producers in the food, pharmaceutical, cosmetics and nutraceutical industries, making their production needs its 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 that 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.

The values in which we believe

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.

Recognizing itself in this vision, IMA bases its activities to the ethical principles and values shown on the next page.



Compliance with current laws and regulations of the countries and markets where the Group is present and active.

Respect for individuals, whatever their position in society and in the production system, rejecting any form of abuse, exploitation and discrimination against the individual.

Entrepreneurship and fair competition, for a competitive confrontation on the market that rewards efficiency, courage to invest and the ability to innovate, for the benefit of both the more dynamic operators and their customers and, consequently, the final consumers.

Responsibility towards the community, in the knowledge that IMA's choices and decisions have important repercussions for it in economic and social terms.

Honesty, fairness and transparency in dealings with all of IMA's various stakeholders.

Protection and enhancement of the Group's human resources, wherever they operate, recognizing as a primary factor in the success of IMA's strategies, and in any case entitled to fair treatment, to ensure the physical and mental integrity of each and every worker, respectful of the fact that are all separate individuals, each with their own characteristics.

Respect for the ecosystem, through careful and responsible use of natural resources, with a view to sustainable development and protection of the rights of future generations.

These values are included in the IMA Group's new **Code of Ethics**, which was updated in 2013.

Initially, IMA's Code of Ethics was drawn up on the basis of criteria that made reference exclusively to Italian law.



Corporate Social Responsibility in IMA

But in dealing with the issue of Corporate Social Responsibility, we realized that the values contained in the Code were so firmly rooted in the practice and common sense of our people - understood not only as part of the firm, but also as part of a territory with very high cultural and social traditions - that they deserve to be spelled out more clearly and highlighted in a revised version of the original text.



The Code of Ethics should be seen as a document in constant evolution, its main characteristic being that it contains the fundamental spirit of the Group's corporate culture: I think it is right that substantial changes, additions or amendments to the Code are a good reason to launch an internal discussion about it, given that a knowledge of its contents on the part of one and all constitutes the very lifeblood for it to make further progress.

Alberto Vacchi
Chairman of IMA



The text of the new Code of Ethics is available on the website www.ima.it > **Investor Relations** section

There is an unbreakable bond between an enterprise and its local territory. One draws energy from the other, and vice versa. The enterprise is a key factor in maintaining the territory's social and economic competitiveness, while at the same time it is strongly influenced in its competitive potential by the conditions initially offered by the social conditions in the area.

Corporate Social Responsibility therefore becomes an essential tool for integrating corporate life with social and environmental trends in the community, helping it to resolve its problems. In planning its strategies, the IMA Group therefore takes account of the economic, social and environmental impact of its operations, adhering to the principles of sustainable growth and acting on the basis of certain basic guidelines:

Economic responsibility

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.

Quality, safety and environment

IMA is committed to promoting a culture of quality through its ISO 9001 certified Management System, chosen to ensure products and services of the highest possible level with a view to constant improvement. IMA also assumes the responsibility of protecting the health and safety of the people working for the Group: 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. Lastly, IMA's commitment is to minimize any impact that the production cycle could have on the environment: energy management, carbon footprint and proper waste disposal are just some of the programmes that IMA has to safeguard environmental resources.

Transparency and good Governance

IMA S.p.A. has been listed on the Milan Stock Exchange since 1995: this entails continuous dissemination of information and the adoption of a responsible and transparent approach to Corporate Governance.

Compliance with rules and regulations is ensured by detailed internal control and risk management systems, which also monitor the non-financial risks to which the business is exposed.

Involvement and participation

In 2011, IMA turned 50 and, with a series of events and initiatives, decisively raised its commitment to Corporate Social Responsibility, based on a fundamental concept: that the responsibility that an industry has towards society and the world as a whole cannot be just an attitude on the part of top management, but has to become an ingrained part of the mentality of all those who work for the enterprise. Their direct involvement helps them identify with the aims of the company, including the desire to make a contribution towards the sustainable development of the world economy. This means that by being citizens of the enterprise, IMA's workers are also citizens of the world. To reaffirm and strengthen its commitment to Corporate Social Responsibility, IMA joined Impronta Etica on 1 March 2012.



IMA's stakeholders

Impronta Etica is a non-profit organization for the promotion and development of Corporate Social Responsibility. It was set up in 2001 at the behest of a number of companies in Emilia-Romagna that were already involved on this front, bearing witness to the cooperative world's attention to CSR and sustainable development. The purpose of the association is to promote sustainable development, creating a network of businesses and organizations that consider social engagement as an essential part of their mission, becoming active in social responsibility practices.

"A socially responsible company is an enterprise that takes into consideration the interests of all its stakeholders and the impact that its activities can have at an economic, social and environmental level when deciding on its strategy, policies and approach to day-to-day management."

IMA set out to meet the requests and interests of its stakeholders. **Stakeholders** are those individuals, groups and organizations that are linked to the company by economic relationships, interests of various kinds or because they are significantly affected by it.

This first Profile has been created to provide all stakeholders with an overview of IMA's performance in terms of sustainability, inaugurating an interactive process of social communication. By providing useful information on the quality of its business activities, IMA is offering its stakeholders a chance to expand and improve their possibilities of evaluation and choice, also from an ethical and social point of view.

Primary stakeholders are those on which an organization depends for its very survival: for IMA, these are its shareholders, employees and consultants, suppliers and end users. Besides these, there are a number of subjects that are able to influence - or who are influenced by - IMA's activities in terms of products, work processes and policies. This broader definition includes public institutions, business associations, other operators in the market, trade unions, the media, and local and international communities.



Analysts and the financial community

Certification bodies, authorities and control bodies (e.g. the Italian Stock Exchange)

Banks and credit institutions

Beneficiaries of projects on behalf of the local territory

Workers' representatives

Media and information outlets

Competitors and other industry players

Charities

Shareholders

Employees and consultants

Suppliers

End users

Scientific community

Schools and universities

Trade and industry associations

Trade unions

Local communities

National and international institutions and local government

Other Group companies

Board of Directors and officers



Information and communication to stakeholders

Thanks to constant efforts over time, IMA has developed a complex system of information and communication through which it interacts with all stakeholders at a local, national and international level.

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.

Press releases (issued at the time of board meetings, ordinary and extraordinary 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, in the **Investor Relations** section, which is always kept up-to-date.

Press releases are then distributed to the **press** (via the Press Office) and to **financial analysts** (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). It involves one-to-one meetings with analysts and investors. IMA also takes part in a number of company roadshows each year: on 3 June 2013, the Company participated in the XV edition of the Italian Investment Conference (UniCredit/Kepler) in Milan. During meetings with the financial community, the presentation also gets published on the SDIR-NIS circuit and on the IMA website.

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.



Detailed information is available on the website www.ima.it > **Investor Relations** section



Prizes and awards received in the economic and financial field

Milano Finanza Company Awards: "Golden Lion Prize for Business Communication"

At the second edition of the "Milano Finanza Company Awards", during the prize-giving ceremony for companies and players from the world of industry, commerce and services that have achieved the best performances, IMA S.p.A. was awarded the "Golden Lion Prize for Business Communication and External Relations". The proceeds of the charity dinner were donated to the Umberto Veronesi Foundation. The evening was attended by Umberto Veronesi, the Chairman of the Foundation.

China Awards: "Creators of Value Prize"

At the China Awards 2007, IMA S.p.A. was awarded to the "Creators of Value Prize" as the Italian company that achieved the best performance with China, operating in high export growth districts and sectors. The prize was awarded by the Italy-China Foundation, chaired by Cesare Romiti, and by Class Editori/Milano Finanza. The proceeds of the charity dinner were donated to LifeLine Express, a hospital train that travels to the most remote and poor regions of China to treat eye and sight-related illnesses, such as cataracts, which affect more than 400,000 people in China every year.

Economic and financial communication:

in 2012 IMA issued around 30 press releases

with an average of one every 10 days



Trade Press

Media relations include 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 Communication and Marketing Departments of the Group's two main brands.

At the time of the **main exhibitions**, where the IMA Group exhibits, **press packs** are prepared with information and photos of the new products on display. Press packs are available to journalists visiting IMA's stand and at the exhibition'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 magazines, as well as banners and e-news, especially during major exhibitions.

Communication to the territory

A territory represents not only a geographical area, but also a culture, a tradition and a wealth of expertise in precision engineering that is Emilia's real territorial capital. Over time, IMA has grown also thanks to acquisitions, but it has always remained **deeply rooted to its territory**.

Mentally, IMA is projected into the world, but its heart is in Bologna: this is one of the Group's key values.

In other words, the relationship with the local area is very important to IMA, which organizes and participates in many events that take place in Bologna and in the region (universities, museums, public institutions, archaeological sites, etc.). These initiatives are communicated regularly to the media and to local authorities. IMA also organizes press briefings whenever there are important events (such as the archaeological excavations at the site of Claterna, an ancient Roman city, as well as social responsibility projects, etc.).

Internal communication

Great attention is also paid to employee communications, through the dissemination of news and information and the collection of ideas and suggestions. Information for employees (corporate, economic and financial news, news handled by the Human Resources Departments, industry news, events for employees, etc.) are published on **myIMA**, the company intranet. It is a tool for easy reference, divided into areas where it is possible to obtain all sorts of information about the Company. Other internal communication initiatives include **IMAgazine**, an information and multimedia tool addressed mainly to the employees, but also available to the general public by being published on the IMA website (for further information, see IMA's people in this profile).



Detailed information is available on the website
www.ima.it > **Events** section



imagazine.ima.it

Dialogue with stakeholders

Over time, IMA has identified the issues that its stakeholders consider most important in terms of social responsibility and sustainability. For example, on-going talks with end users, which are often multinational organizations that are very sensitive to questions of Corporate Social Responsibility, a number of recurring themes have emerged that IMA places at the centre of its sustainability analysis, considering them as areas for improvement in the future.

Social responsibility: IMA today and future goals

Employees

- Nature of their duties, working conditions and the environment
- Clothing and protective equipment
- Working hours and days, number and length of breaks during the day
- Guarantee that no children or forced labourers are used throughout the entire working cycle
- Mechanisms to minimize discrimination in the workplace
- Protection from molestation, including sexual harassment
- Respect for equal opportunities

- Respect for individual cultural and religious preferences
- Raising awareness on human rights issues
- Internal dissemination of the new Code of Ethics

Environment

- Energy saving
- Water use reduction
- Waste reduction
- Measuring environmental impact and intervention strategies
- "Green" or alternative energy use (solar, wind, hydro, hybrid vehicles, etc.)
- Programmes for launching or increasing the use of "green" or alternative forms of energy
- Sending reports related to the Carbon Disclosure Project (CDP)
- Raising awareness of environmental issues

Community

- Differentiation of suppliers: company policy that promotes the purchase of goods and services from different firms
- Policy of sustainability throughout the supply chain
- Adherence to international codes on transparency and Corporate Governance, such as the Sarbanes-Oxley Act in the U.S.A.



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 has adopted 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 is audited by a firm of independent auditors.

IMA 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 231/01** on the "Administrative liability of legal persons of companies and associations also 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"**.

The administrative and management fairness, along with the transparency of information, are a constant and widespread commitment at IMA, adopted first and foremost by the Board of Directors, by the Internal Control Bodies and by all first-level Managers. This commitment is fulfilled by implementing a Corporate Governance structure, defining an organizational policy and structure, assigning powers and responsibilities, and applying its own business management philosophy. The Code of Ethics and Organizational Model approved by the Board of Directors are important elements for the control and adoption of appropriate behaviour.



Group's results in 2012

IMA has created a specific section on its website (**Investor Relations**), which is easily identifiable and accessible, where you can find 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.

The quality and timeliness of information that IMA publishes on its results and Corporate Governance have led to two major awards in previous years, as explained on page 25:

- Milano Finanza Company Awards: "Golden Lion Prize for Business Communication"
- China Awards: "Creators of Value Prize"

Detailed information is available on the website
www.ima.it > **Investor Relations** section
> Corporate Governance



“

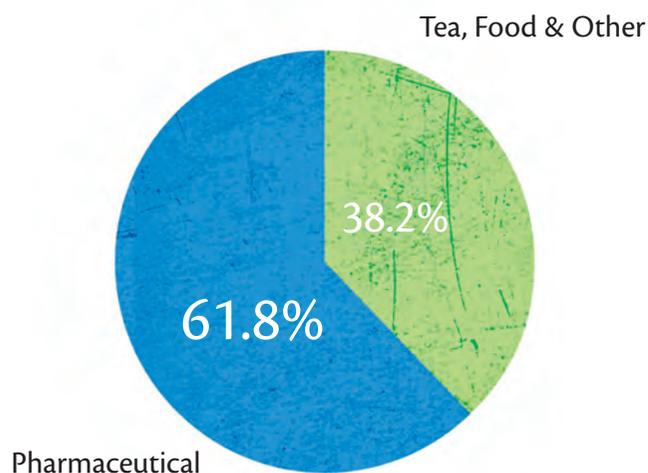
This has been another excellent year for the Group, as it allowed us to turn in strong growth in both revenues and margins: for us it is a source of great satisfaction and pride, as well as evidence of IMA's ability to keep on growing, creating innovation and value. The strong trend in the consolidated order book, which covers more than 50% of forecast sales in 2013, and the positive trend in orders in the first quarter with a higher rate of order acquisition than in the same period last year, allow us to be reasonably optimistic about the current year. The international pharmaceutical industry is in fact continuing to turn in significant rates of growth, as is the food sector: these are the contexts for the Group's recent acquisitions to strengthen IMA's consolidated global leadership in the pharmaceutical sector and to broaden the range of products in niche food packaging. Another factor that is relevant for the growth and competitiveness of the IMA Group is our high share of exports, which reached 93% in 2012, with excellent results in China, Russia, Brazil and Europe. IMA also did well on the North American market where we have launched new solutions for the processing and packaging of pharmaceutical products. The Group's success at the recent international marketing events is further confirmation of the excellent prospects that we have indicated for the current year and which, together with the significant amount of cash flow generated in 2012, have persuaded us to reward the shareholders with a dividend of 1 euro, the same as last year.

Alberto Vacchi
Chairman of IMA

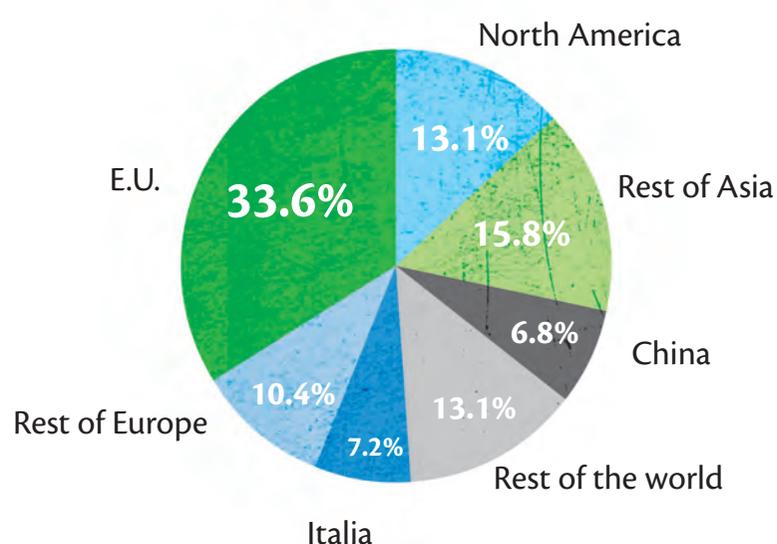
* statement taken from the press release of 24 April 2013



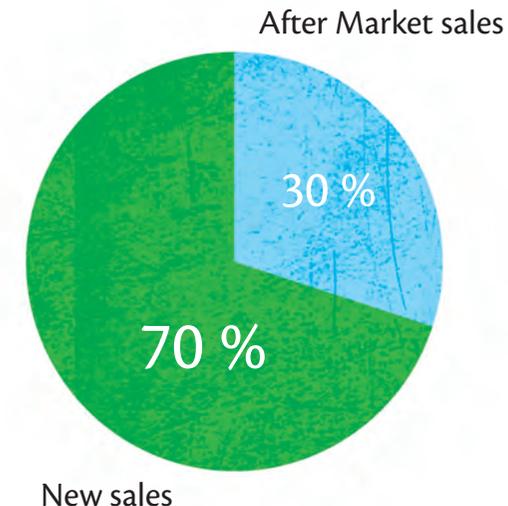
2012 TOTAL REVENUES:
734.3 million €



REVENUES BY GEOGRAPHY



REVENUES BY NATURE

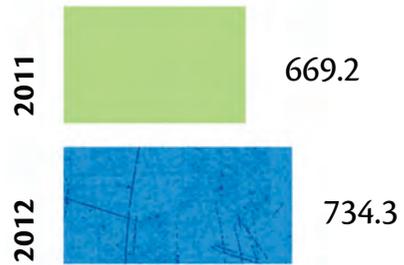


The **IMA Group** has closed 2012 with strong growth in **net revenues** to 734.3 million euros (+9.7% on 669.2 million at 31 December 2011). Strong growth in the **gross operating profit (EBITDA)**, which rose to 101.4 million euros (+9% on the result before non-recurring charges of 93 million at 31 December 2011), **operating profit (EBIT)** that has reached 80.6 million euros (+18.7% compared with 67.9 million in 2011), a **net profit for the period** that has risen to 49.4 million euros (+68% compared with 29.4 million in 2011) and a **Group net profit** of 47.7 million euros (+69.1% compared with 28.2 million in 2011).

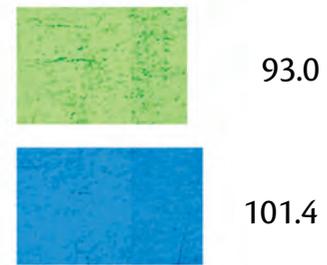
The IMA Group has closed 2012 with excellent results in all areas of business, thanks to the very positive trend in sales of automatic machines to the Group's key sectors (pharmaceuticals and food). **Net debt** of the IMA Group at 31 December 2012 is well down to 131.5 million euros (157.5 million at 31 December 2011), despite paying 36.8 million euros of dividends during the year.



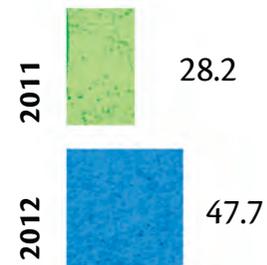
Revenues (mn €)



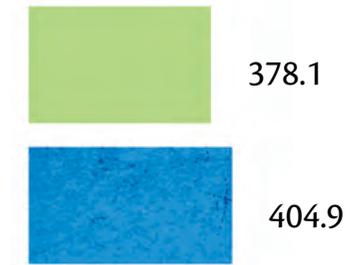
Gross operating profit EBITDA (mn €)



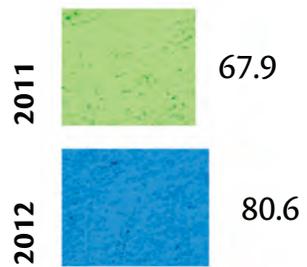
Group net profit (mn €)



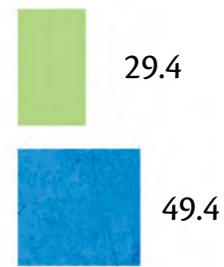
Group order book (mn €)



Operating profit EBIT (mn €)



Net profit for the period (mn €)



All financial information about the IMA Group is available on the website www.ima.it > **Investor Relations** section



IMA's people

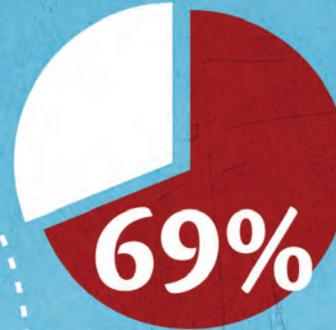




97%
of staff are hired on a **permanent basis**



80%
On average, employees have high level of education: more than 80% have at least a **high school diploma or university degree**



69%
of employees come from the



PROVINCE OF BOLOGNA

The average age of new hires is less than



30 years



LOW INJURY RATES:
a severity rate of **0.10%**



Employees have various benefits including **SAVINGS ON INSURANCE PREMIUMS, SPECIAL AGREEMENTS WITH BANKS AND PSYCHOLOGICAL COUNSELLING**

Several initiatives to get personnel involved, such as cultural events and



IMAGAZINE, THE ONLINE MAGAZINE



on average **23 hours** per person to ensure the **continuous training** of employees
a total of **4,408 hours** training of new hires

A company of value is one where people of value work at every level of the organizational structure. Men and women with talents to be enhanced, aspirations to be encouraged and needs to be satisfied, also outside working hours. Placing the **individual centre stage in the organization** is a philosophy that many large companies are trying to advance. What matters most are the tools introduced to ensure that this "centrality" becomes part of everyday corporate life.

Through its policies, the IMA Group works every day to enhance the value of its employees and consultants, with the aim of ensuring their economic security, job stability and opportunities for professional growth. This is achieved in particular by:

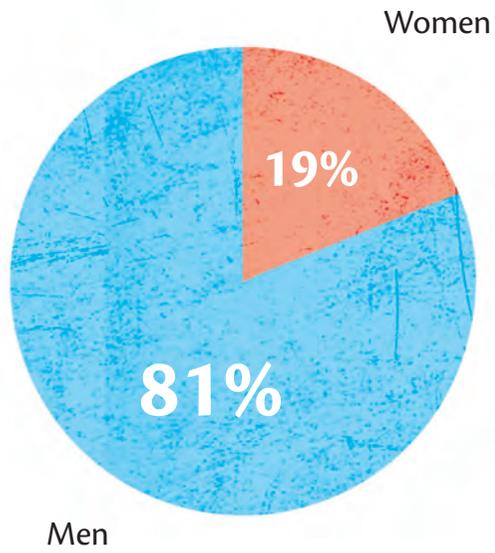
- Ongoing refinement of the selection process for strategic positions
- Most people are hired on permanent and trainee contracts that guarantee certification of the training process followed
- Long-standing links with universities and national and international centres of excellence, as well as relationships with local technical institutes
- Extensive training and information sessions for new hires to facilitate their insertion and transmit our corporate values

Generally speaking, at all companies of the IMA Group, **the contractual conditions granted to employees are better than average for that sector**. Comprehensive health and accident coverage, agreements for discounted purchases and the best terms for numerous aspects of the employment contract (salaries, maternity leave, advances against severance pay, use of part-time work, etc.) are just some of tools used by the Italian Group companies to create **favourable conditions for the expression of individual talent**, founded on our business culture with its system of strongly shared values. In this context, we also provide a **psychological counselling** service, backed up by the role of Employee Representative, which confirms the importance of our people to us, taking action to promote conditions of wellbeing in the workplace, especially with reference to situations that could result in social exclusion.

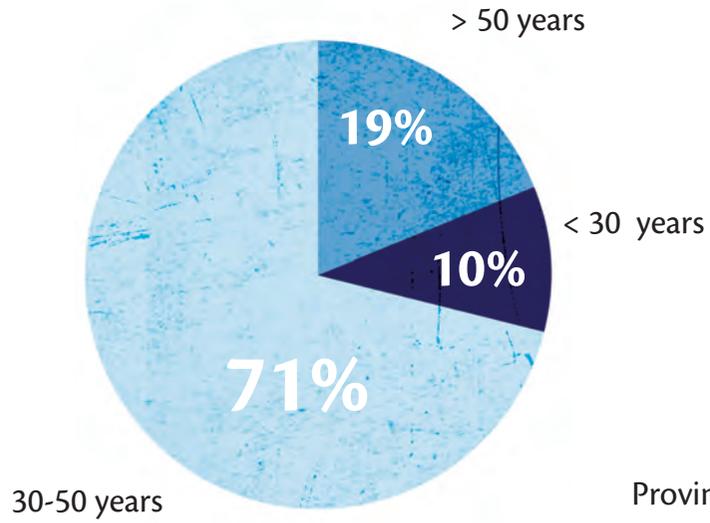
This attention to the Group's human resources is tangibly demonstrated by our **low rates of turnover (less than 3%)** and absenteeism, which is always at a level that can be considered normal.



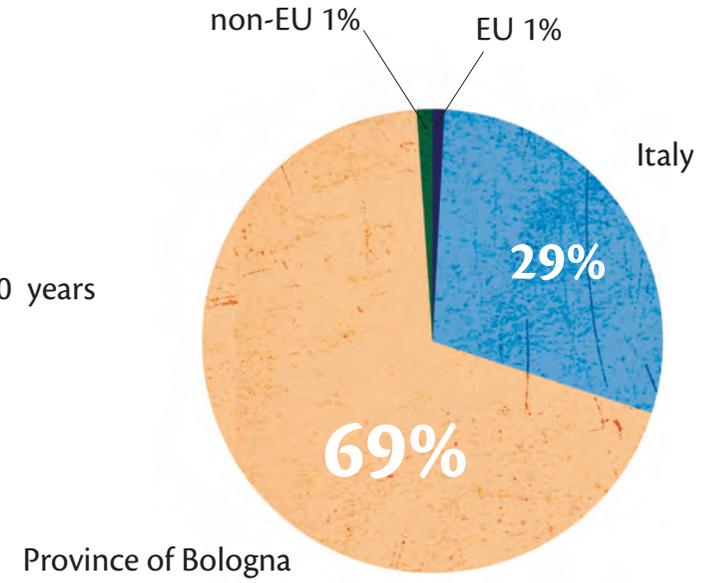
WORKERS BY GENDER



WORKERS BY AGE



WORKERS BY PLACE OF BIRTH



Employment relationship and hiring policy

The vast majority of employees **(97%) are hired on permanent contracts**, in line with the Company's policy to create stable, long-term employment for its workers. The use of atypical forms of collaboration are, in fact, very limited: in 2012, 8 people were hired on a project basis and 13 as temps.

For IMA S.p.A., **hiring recruits** on a permanent basis is the contractual form of reference, sometimes together with a placement contract (no longer usable from 2013) or an apprenticeship. In 2012, **30 placement or 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.

Various **placements and internships** are also provided (9 in 2012) in agreement with local high schools and universities.

In the Group's organizational structure in Italy, 17% of employees are employed in the Commercial Area, including pre-sales and after-sales activities, 16.6% in R&D, 16.3% in Staff positions (Administration, Information Systems, Purchasing, Quality, Human Resources, Corporate Communications, Exhibitions, etc.) and 50.1% in Manufacturing and Logistics. This 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. The breakdown of employees between the various contractual levels shows a concentration at levels 5 and 6 (64% of the total); this reflects the high level of specialization that characterizes the Group's employees.

As regards workers' qualifications, it is worth pointing out that IMA's employees generally have a **high level of education**: more than 80% have a high school diploma or university degree. Talking of which, personnel selection tends to be geared to school leavers and recent graduates to be included in the production units: new recruits attend vocational 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.



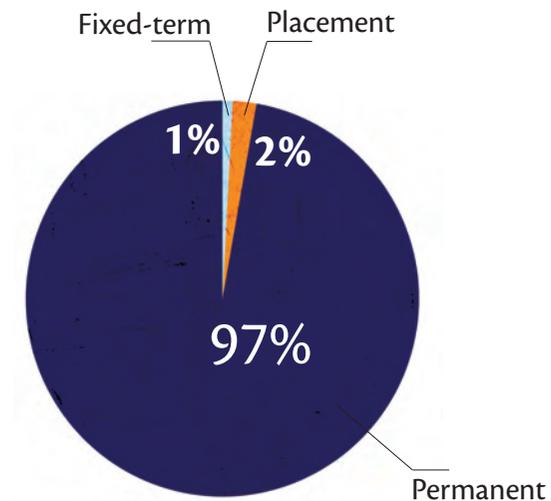
IMA S.p.A.'s **supplementary labour contract** provides economic and regulatory conditions that are more favourable than the national labour contract. Particularly significant conditions include the following:

- 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 assembly and testing technicians
- 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

As mentioned earlier, **staff turnover at IMA S.p.A. is extremely low.** Not only: turnover has a **positive balance**: during the period under review, 138 new employees joined the Company, whereas only 49 left. This result comes from the difference between all new hires because of business growth and the number of people who retired.

Very few people resigned for reasons other than retirement, given the firm's characteristics in terms of professionalism and social welfare. Another interesting statistic highlights how **around 50% of new hires are young people under the age of 30.**

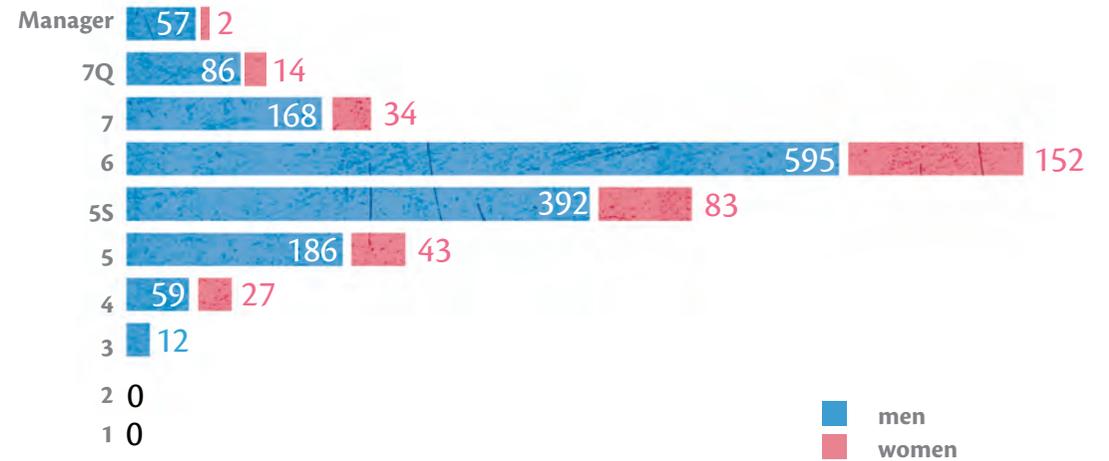
TYPE OF EMPLOYMENT



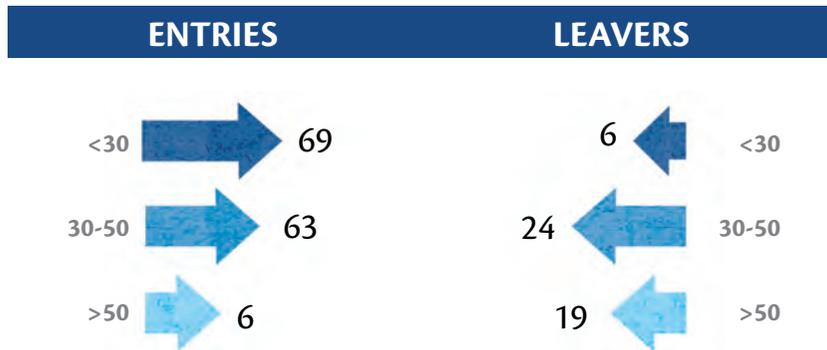
EMPLOYEES BY AREA



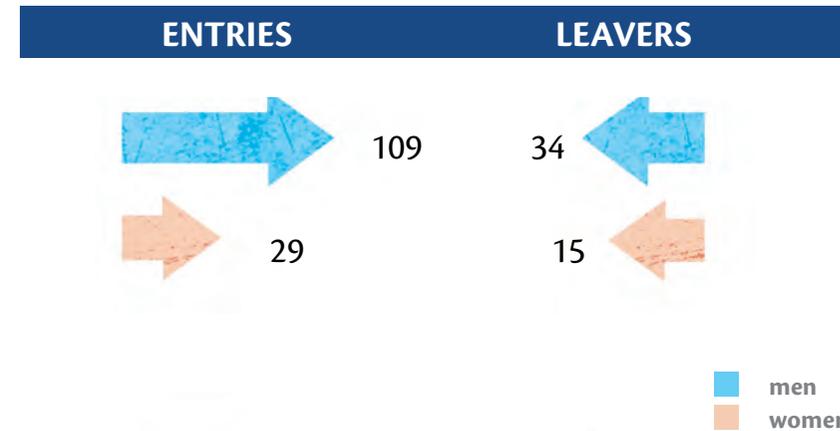
EMPLOYEES BY LEVEL



AGE



GENDER



Staff 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.

Training for new hires

554 employees involved
4,408 total hours

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.

Training programmes start from an awareness of the **need to integrate employees from the different companies** in the IMA Group following the reorganization carried out in 2011. For this reason, training courses for new recruits take into account some general information on the Group companies where they have been hired, especially as part of the safety modules. The modules will be repeated and expanded in 2013.

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 (in this regard, see the chapter on IMA's social commitment).

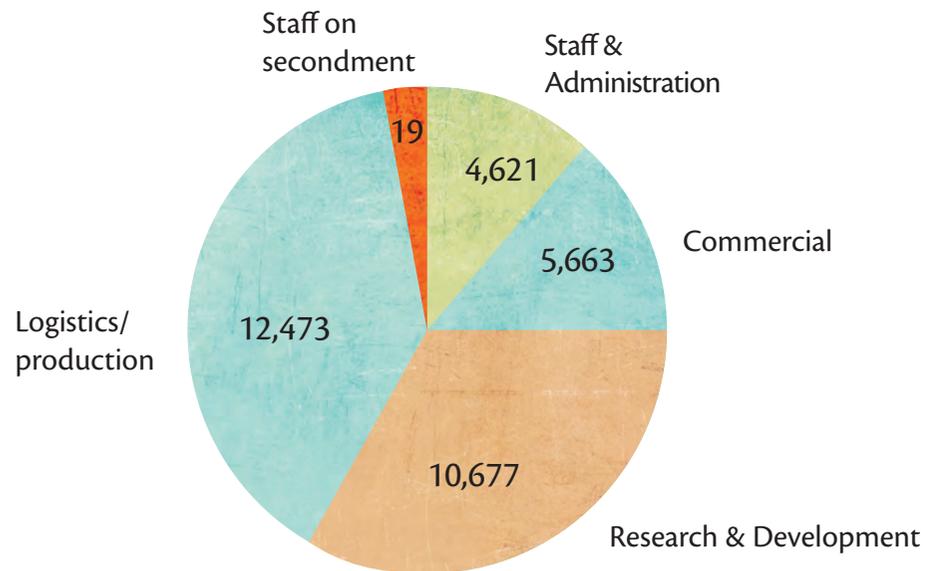
Continuous training in IMA

1,453 persons trained
33,453 total hours
23 average hours per person
€ 325,000 of training costs



Protection of workers' health and safety

TRAINING HOURS BROKEN DOWN BY AREA
(1,453 employees involved, 33,453 hours in 2012)



The focus on safety in the workplace is constant. The activities of the General Services, Environment and Safety Department are varied and consist of the installation or maintenance of the facilities and buildings, as well as continuous monitoring and updating of the risks that could affect employees and consultants.

IMA has adopted a safety management system that is based on **protection of the health and safety of its employees**. Company policy in this regard stresses as fundamental the principles of prevention, compliance with the law and agreements, monitoring, continuous improvement, training and awareness, and management commitment. According to the system adopted, targets are set each year (beyond mere regulatory compliance) as part of continuous improvement: internal audits are conducted annually to verify the achievement of objectives and the actual conditions of employees' health and safety.

Starting from 2013, IMA has decided to have its Safety at Work Management System certified by an appropriate external certifying body (according to the principle of impartiality and independence), adopting the OHSAS 18001 standard.



Particular attention is paid to **training** and refresher courses for employees, supervisors and managers on security issues: in 2011 the total hours were 1,326, whereas **in 2012 they rose to 2,182.**

Bearing in mind that IMA aims to achieve the ambitious goal of "zero accidents", in 2012 there were 12 accidents that resulted in a total of 255 days lost. The situation is broadly in line with the previous year and is considered satisfactory.

ACCIDENT RATES

No. of accidents: **12**
Total days lost due to injury: **255**
Severity index¹: **0.10**
Frequency index²: **4.51**

¹ Number of days lost due to accidents per thousand hours worked by personnel.

² Number of accidents per million hours worked.

Several initiatives were carried out in 2012 to improve the working environment and the management of workers' health and safety, including:

- The main production sites were provided with **semi-automatic defibrillators**, in order to increase the tools available to corporate first responders during urgent rescue operations
- All members of the corporate first aid team participate annually in a specific **training session in the use of defibrillators** and for the adoption of proper **cardio-pulmonary resuscitation techniques**. These courses, in collaboration with 118, the public

emergency health service, have a duration of 5 hours for the basic qualification, with subsequent annual re-training that lasts 2.5 hours

- **Separate routes have been created for forklift trucks and pedestrians** along the corridors of the production departments at the main plants, in order to reduce the risk of collisions which are more likely when routes are shared
- At the Ozzano plant in via Emilia, we have built a **helicopter landing pad** which complies with the legal requirements in terms of size and signaling system, with a windsock, which can also be used by external rescue personnel to ensure more immediate assistance in the event of an emergency

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 have been purchased to date (triaxial accelerators) from the same provider as the Civil Defence network, one of which has already been installed at the Ozzano plant in via



Emilia. These seismographs will be 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. The other two seismographs will be installed at the Ozzano plant in via 1° Maggio 14 and at the Bentivoglio plant in via Romagnoli 2.

Buildings

Once again, even though there was no obligation to upgrade the state of the buildings (as they are outside the crater), Management has given a mandate for the buildings to be upgraded as though they were in the earthquake zone. 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 complete at the Bentivoglio plant in via Romagnoli 2 (both the planning of these interventions and their execution have been finished). At the Ozzano plant in via Emilia, planning activities have been completed and the interventions began

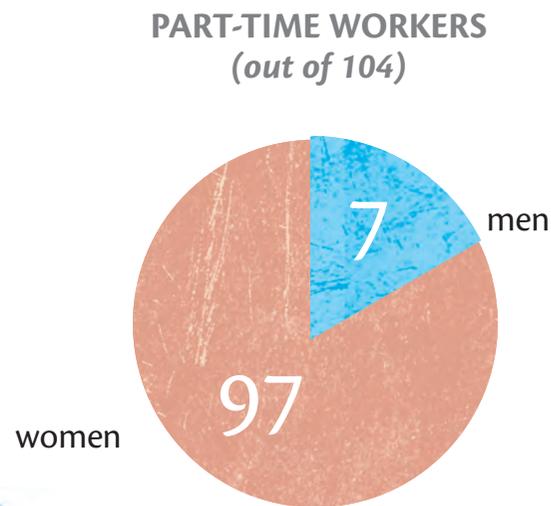
in April. Planning has also been completed at the Ozzano plant in via 1° Maggio and the work will commence once the interventions at the via Emilia plant are finished. The whole planning phase was carried out by a team of professionals, led by Raffaele Poluzzi, Professor of Engineering at the University of Bologna and an IMA consultant.

Once the intervention on prefabricated structures is finished, presumably at the end of 2013, further action will be studied, planned and then implemented in the coming years that will raise the non earthquake-proof buildings to a level of security equal to at least 60% of new earthquake-resistant structures (as required by the regulation for sites located within the crater).



Work-life balance and corporate welfare

Working **part-time** is one of the measures introduced to help improve employees' work-life balance. Since IMA is particularly sensitive to the needs of employees, company 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 2012, all applications for part-time work were 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 **postpartum leave**, employees of IMA S.p.A., both women and men, 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 three of the six 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

	men	women	total
No. of times parental/maternity leave granted in 2012	45	41	86
Leave for the birth of a child	0	33	33
Paid leave of 3-4 days	23	80	103
Unpaid leave for family care (16 hours)	17	11	28
Paid leave for family care (4 hours)	55	102	157



Internal communication and involvement

To share a sense of belonging, to reinforce the spirit of collaboration, to disseminate corporate values. These are objectives that IMA seeks to achieve through internal communication and employee involvement in different types of activities.

To this end, specific instruments have been designed for the dissemination of information. The most important was launched in February 2012, when IMA's website was revamped to include a dedicated area called "**IMAgazine**", an online house organ with articles on topics of general interest, written by a team made up entirely of IMA employees. Before the official launch of the magazine, about fifty employees took part in specific training courses to improve their writing skills and, in 2012, at least forty employees contributed articles or documentaries to the magazine. This activity will obviously continue in 2013.

The **corporate intranet** is also an opportunity to exchange information on issues such as company organization, procedures and various other instructions (such as service orders and company announcements). Workers' Representatives also have a chance to publish trade union information on specific pages devoted to them.

In addition to the use of internal communication tools, the Group's employees are involved in "IMA life" also by moments of aggregation and sharing unrelated to work.

Of all these, worth mentioning are the cultural events that took place outside business hours at GIMA, which on each occasion saw a participation of between 40 and 80 employees of IMA Industries.

More detailed information can be found in the chapter on IMA's social commitment in this profile.



In 2012, we initiated contacts with external bodies that in 2013 will lead to the creation of an analysis of the business climate in GIMA, in order to understand what mechanisms of "corporate welfare" may be more appropriate in the individual Group companies.

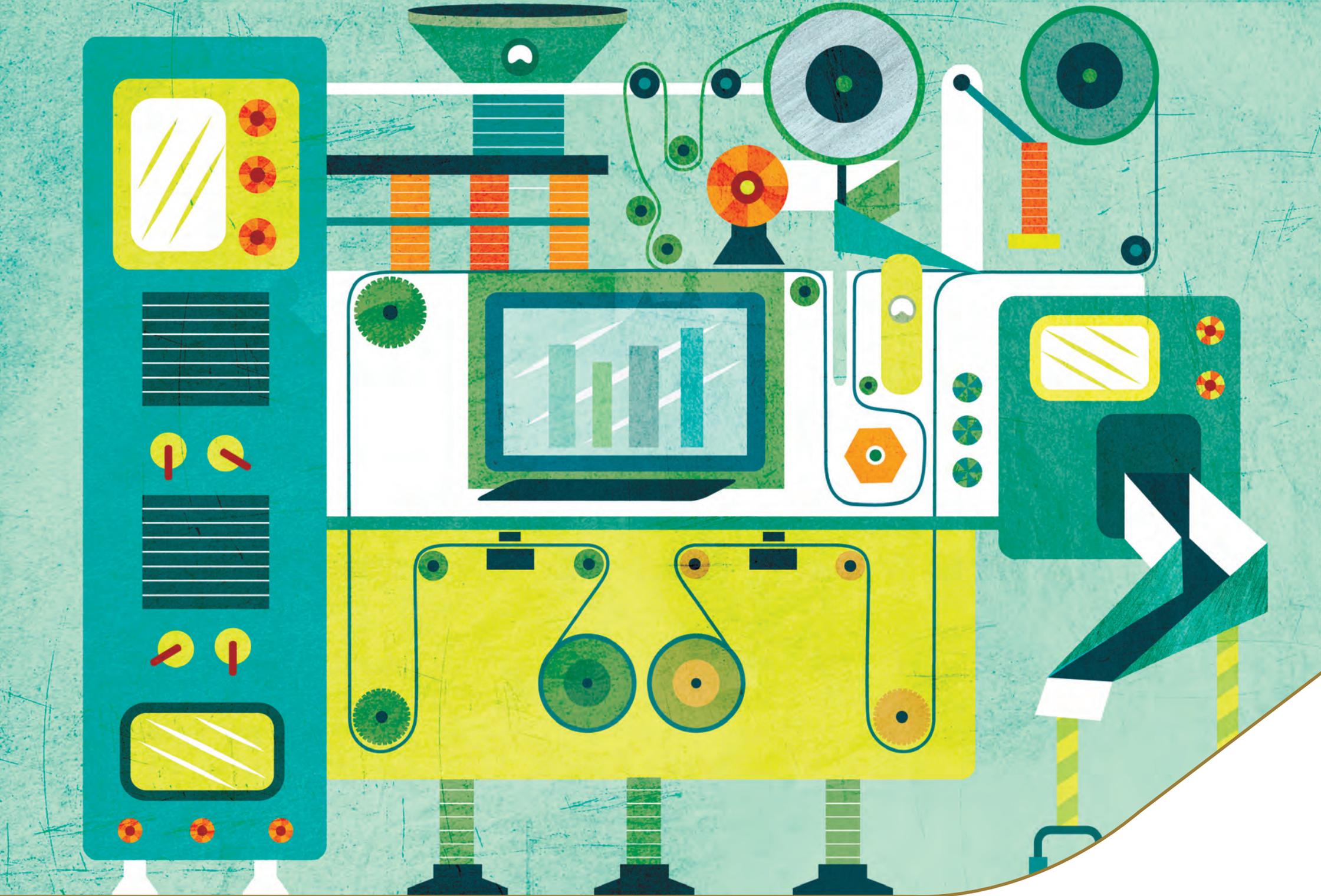
In terms of industrial relations, the IMA Group and the ongoing mature relationship between the Company, the Trade Union Representatives and the Workers' Representatives means that there is really very little unrest, and what little there is, generally, is a reflection of nation-wide disputes.

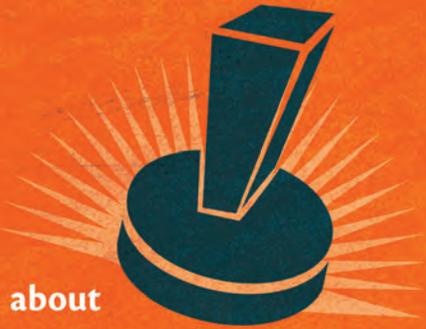
Meetings are scheduled between the Company and the Trade Unions/ Workers' Representatives to provide general information on the Group's performance and on any specific issues. There are also continuous exchanges of opinion between the Company and Workers' Representatives on the following topics:

- 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



Innovation and quality





about

1,200
patents

pending in the world up to now. Numerous **new machine models** launched in recent years



At a global level:

over **400**
of its 3,300 employees are **engineers and designers** involved in product innovation



Over

600,000

hours devoted to **innovation** each year



million euros allocated to **Research and Development**

IMA is a member of industry associations such as **UCIMA** and **ISPE Italia**



The IMA Quality System is

certified ISO 9001

and integrates all sector specific regulations



Quality is measured by means of **direct satisfaction surveys** and indirect analyses

2,650

total hours of **training** on issues of quality and standards for employees of IMA's Italian companies in 2012



830
manufacturing suppliers

300
non-manufacturing suppliers: controlled using Quality System procedures

Technological innovation, research and development

Innovation is a challenge to be faced every day, developing knowledge, stimulating insights, triggering those processes that activate discussion and the synthesis of new ideas. To stay competitive, innovation must be "routine", the *modus operandi* that guides every daily action.

Because in sectors in continuous evolution, such as pharmaceuticals, cosmetics, food and nutrition, it is impossible to rest on your laurels. One always has to improve. And do it faster than competitors. Constant commitment to **research and development** is therefore crucial. So it is no coincidence that the IMA Group invests about **5% of sales in these activities**: indeed, only the continuous introduction of innovative technological solutions allows IMA to meet the exacting demands of end users, allowing them to compete for market leadership.

Other figures that reflect this commitment to research and development are the **600,000 hours** per year devoted to the study of new solutions for processing and packaging, the approximately **1,200 patents pending** throughout the world and the numerous new models of machines launched in recent years.

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.

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. For example, in the past, to anticipate the competition in the realization of a **flexible machine that would dramatically reduce the change-over time**, the mechanical gears connecting the three sub-units of a blister packaging machine were replaced by **independent electric motors that were controlled electronically**. This innovation was born from one "fortuitous" technology scouting session and collaboration with a company that had the right know-how in electric motors.



Another example of an innovation that made history was the use, **for the first time ever, of an Apple Macintosh personal computer** with an icon-based human-machine interface.

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 many machine models, the PC replaced the PLC (Programmable Logic Controller), a device that for years was standard equipment on most machines. This change was momentous because it overcame the limitations of the PLC: with the new system it became possible to use many of the SW development tools used in IT, greatly improving production efficiency. The huge computing power of the PC has also made it possible to integrate many functions typically performed by other equipment. Use of the PC was necessarily accompanied, for the sake of industrialization, by a new method of connecting sensors and actuators to the intelligence of the machine, allowing a significant reduction in the amount of copper used and in the installation times of the electrical system.

An example of an "almost breakthrough" innovation which affected machine architecture by applying highly innovative concepts was the **Comprima 300**, a tablet press capable of producing 300,000 tablets per hour.

Two completely new and important concepts were applied in creating this machine:

1. **Powder feed and dosage by centrifugal force**, a process that made it possible to increase the machine's performance with product losses of less than 0.5% compared with 2-3% in the case of traditional machines. Moreover, the powder feed to the moulds improves as the speed of rotation increases, unlike traditional machines.
2. **Direct washing of the machine** possible at various levels of complexity: in the most complete option (containment), once tablet production is over, the machine is washed before it is opened so as to protect both the operator and the environment from potential contamination (competitors' machines had to be largely dismantled and replaced in order to wash them separately).

A more recent example is the use of **microwave technology** to check that the density of the tobacco in the long paper tube (which will then be cut to form cigarettes) is constant, and to control the weight of the dose of powder in pharmaceutical capsules. This idea came from the contacts and exchanges of experience between technicians of the "New Technologies and Automation SW" department and companies in the field of automatic machines that are part of a consortium called CRIT (Consorzio Ricerca e Innovazione Tecnologica - Consortium for Research and Technological Innovation), formed for the purpose of collaborative innovation.



The organization of Research and Development at IMA

Everyone at IMA speaks the language of innovation, because innovation is not a topic only for the R&D Department, but one that is shared by all sectors and divisions. The model that we have adopted could almost be called "diffuse": innovations can in fact come from the ideas of individuals, from input by the Marketing Departments, from analysing competitors' machines, from collaborative innovation or from scouting for enabling technologies.

The budget dedicated to research and development in 2012 amounted to **33.7 million euros** (22.6 IMA Pharma and 11.1 IMA Industries), while the budget for technology scouting came to around 800,000 euros. The peripheral R&D Departments mainly make use of mechanical engineers and technicians, whereas the Corporate R&D Department uses electronic, computer and automation engineers.

To ensure the dissemination of knowledge and to stimulate new ideas, it is easy to imagine that **continuing education on technological innovation** takes on a key role in IMA. 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 SW framework for the use of PCs as machine controllers, on mechatronics, on the development of industrial SW for automa-

tic machines, on the use of microwaves in measurement applications, and on ultrasonic technology in applications that involve the welding and softening of plastic materials. Sometimes "injections" of know-how also come from external collaborations, such as graduation theses developed in tandem with local universities. These collaborations are very useful, both for the selection of young employees (electronic engineers, including specializations such as automation and computer science, management engineers, computer analysts), and for technological insights that go beyond the department's work programmes.

**IMA GROUP
2012**

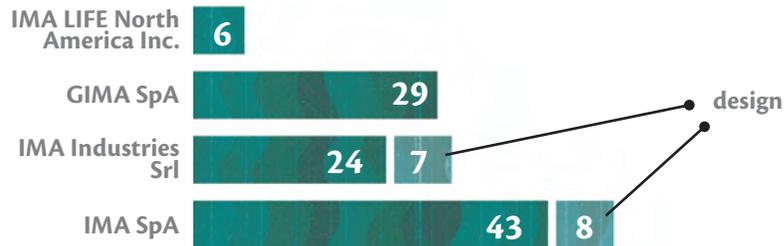
Patent applications filed
102 patent applications
15 design applications

Patents granted
54 patents
5 designs

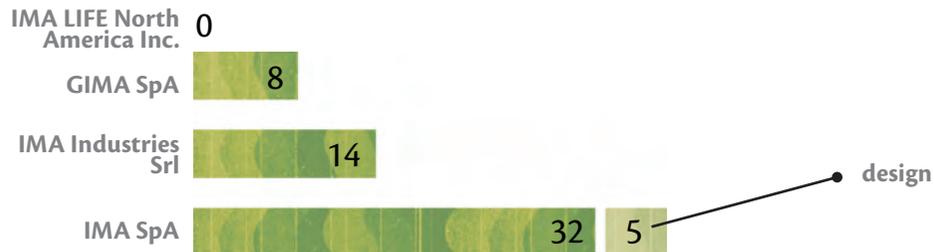


Quality and excellence

PATENT APPLICATIONS FILED IN 2012



PATENTS GRANTED IN 2012



A complete list of all the patents held by the IMA Group, broken down by divisions and companies, is available on the website www.ima.it > **Patents** section

Strive for the satisfaction of end users. And improve constantly. These are objectives that the Group never loses sight of. For this reason, IMA has long since embarked on a journey to implement a **Quality System certified according to the ISO 9001 standard**.

The Quality System covers the entire product life cycle, from research and development to sale, from delivery and installation to after-sales assistance. Particular attention is paid to the design control, which is crucial for the quality of the end product.

The Quality System has evolved constantly over time, conforming to the **Vision 2000** edition of the reference standard, in order to enhance the process structure of the Quality System. In addition, the system has been improved thanks to major reviews of internal processes using techniques such as Business Process Reengineering.

A Quality System focused on processes has made it possible for IMA to offer its end users maximum transparency in the execution of the various phases of the projects. This allows us to deliver highly complex solutions on schedule, while maintaining a simple and flexible organizational structure.

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, service) have a major role in achieving high standards in products.



Additional information about IMA's Quality Management System and copies of the certificates are available on the website www.ima.it > **Quality** section

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

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 users 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 2012 figures indicate that 40% of the questionnaires were returned to IMA. The average of the scores received for the IMA Group is 3.5 (on a scale of 1 to 5, where 3 is satisfactory) with a good uniformity between the divisions.

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. To be meaningful, this indicator needs a historical basis made up of data from several years: analysis is ongoing and the initial results are now available through *ad hoc* reports.

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 user.



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. For example, when the latest edition of the EU Machinery Directive (2006/42/EC) was issued recently, all of the related procedures were revised. 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 - Italian Packaging Machinery Manufacturers Association** - 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 2012, a total of 50 IMA technicians attended 15 days of training organized by UCIMA on:

- Noise emissions of packing and packaging machines and lines
- Designing and building the electrical equipment of machines and the control panel in accordance with EC requirements
- Food contact machinery
- Mechatronic solutions for motion control
- Coding and marking traceability
- Energy saving and efficiency solutions in packing and packaging machinery
- Preparing the technical manual
- UCIMA specifications



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 Spare 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 (International Society for Pharmaceutical Engineering) 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 conferences that specialize in the validation of machinery.

Quality and sustainability throughout the supply chain

The solidity of a chain depends on the reliability of each link. In IMA's supply chain, each single company involved in it also has to ensure high levels of quality and sustainability, factors that can be decisive in the delicate game played on the market. 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.

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 subcontractors**. 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.

The main companies in which IMA has an investment are:

B.C. S.r.l. - Imola (Bologna)
Bacciottini F.lli S.r.l. - Oste Montemurlo (Prato)
Bognesi S.r.l. - Dozza (Bologna)
I.E.M.A. S.r.l. - S. Giorgio di Piano (Bologna)
LA.CO. S.r.l. - Ozzano dell'Emilia (Bologna)
Logimatic S.r.l. - Ozzano dell'Emilia (Bologna)
Masterpiece S.r.l. - Ozzano dell'Emilia (Bologna)
Powertransmission.it S.r.l. - Castenaso (Bologna)
SIL.MAC. S.r.l. - Gaggio Montano (Bologna)

These partnerships allow IMA to act indirectly as a locomotive for a good deal of its network of suppliers, creating greater strategic and productive synergies.

The **relationship with suppliers** is very important both for the high proportion of external costs for the machines (components, design, assembly) and because of the potentially critical nature of the products supplied and of the suppliers' know-how. These relationships are undertaken with a view to long-term cooperation and are based on negotiating fairness, integrity and contractual equity, as well as sharing growth strategies.



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). To monitor this relationship effectively, indicators are defined and measured, such as:

- Classification of the supplier base by type and technological breakdown by industrial sector (low-cost channels, third-party suppliers, IMA participated suppliers, suppliers with specific partnership agreements, etc.)
- Number of suppliers by industrial sector and distribution of turnover (e.g. average, minimum and maximum)
- Suppliers' performance in terms of quality, price, delivery
- Results of 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).

IMA works with two types of suppliers.

It uses **manufacturers of components (either custom designed or taken from a catalogue)** for the production of the machines.

- Providers of custom designed components supply them on the basis of the Group's drawings and plans
- Vendors by catalogue (commercial) provide components that are available in the manufacturers' catalogues

IMA uses **non-manufacturing suppliers** for goods and services not directly related to the production of the machines.

Qualification of manufacturing suppliers

When choosing its manufacturing suppliers, IMA applies "**proximity**" **criteria** (partner companies in product innovation, companies operating in the local production cluster, etc.), identifying the following areas of strategic supply:

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

The providers of custom designed and catalogue components are clearly predominant in terms of number: in the last year, **1,230** were available, and **830** were active.

IMA applies a special qualification procedure to core suppliers directly involved in the production of machines, adopting different criteria depending on the type of goods, in order to be as effective as possible.



Over the last two years, IMA has increased the effectiveness of its controls over suppliers, managing to reduce the average rate of non-compliance, which has gone from 2.2% in 2010 to 2.0% in 2011, and then to 1.7% in 2012.

For other suppliers (assembly and wiring, third-party machines, design and documentation), given their different characteristics, qualification is based mainly on carrying out on-site audits at their premises to assess internal organization, procedures, production management, testing, etc.

The volume of sales in the major categories is distributed in such a way as to concentrate 80% of total turnover in less than 20% of the pool of active suppliers. Considering the purchases made in 2012 by the Group's two main brands, IMA Industries and IMA Pharma, without calculating the costs incurred for customs duty, employees, vehicles and agents, the amount of revenue paid to third parties came to **204.7 million euros**: of this amount, 92.7% remained within Italy, and **almost half of the total (48.4%) within the province of Bologna**. Of the balance, 3.8% and 3.4% of sales 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**.

SUPPLIER QUALIFICATION

Component suppliers are periodically given a vendor rating calculated on the basis of three parameters (in order of importance):

Quality, Delivery, Price.

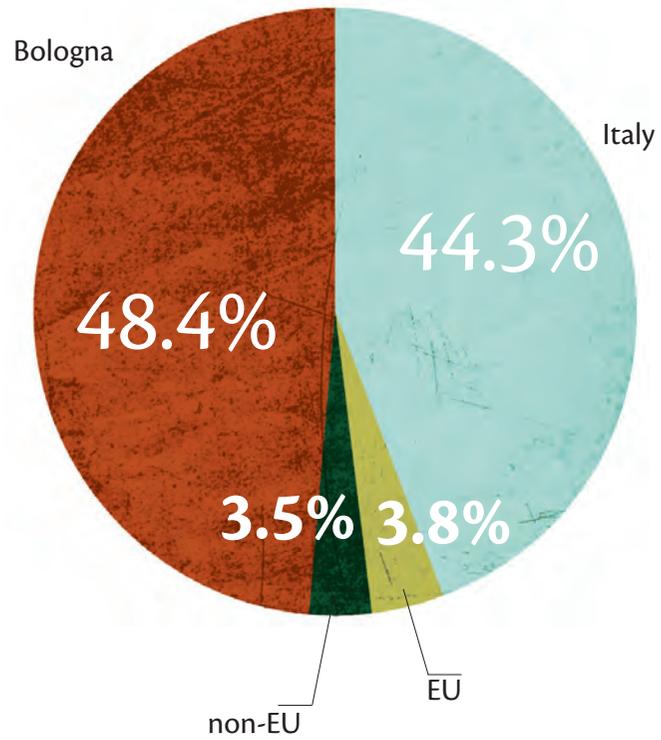
Over a range of ratings from 0 to 100, where 60 is satisfactory, the average score of core suppliers was

76 for the custom designed components and

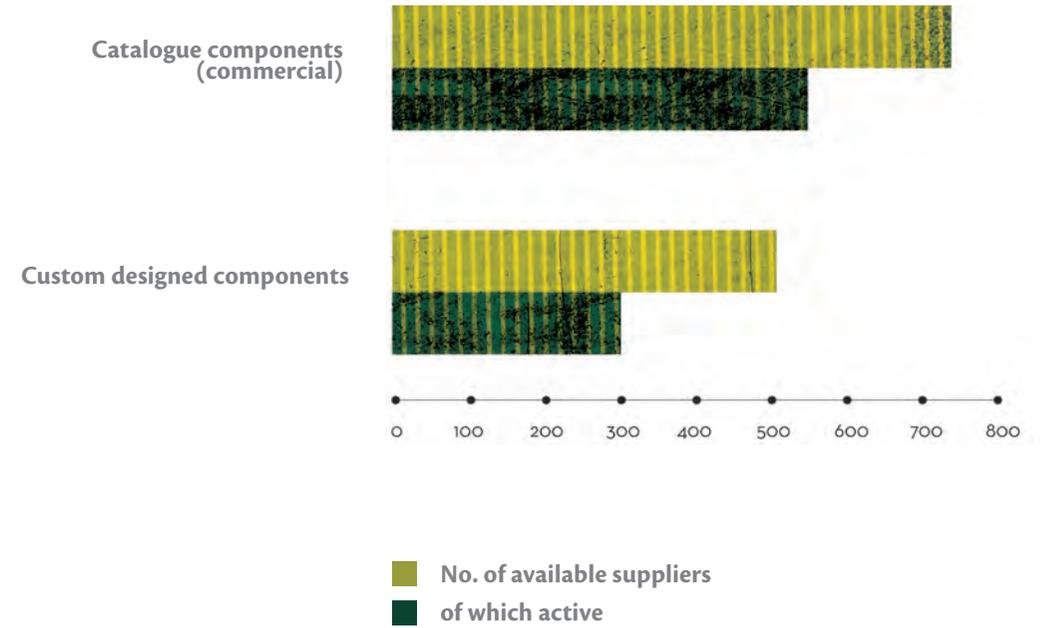
83 for catalogue components



TOTAL PURCHASES 2012



IMA'S MAIN MANUFACTURING SUPPLIERS

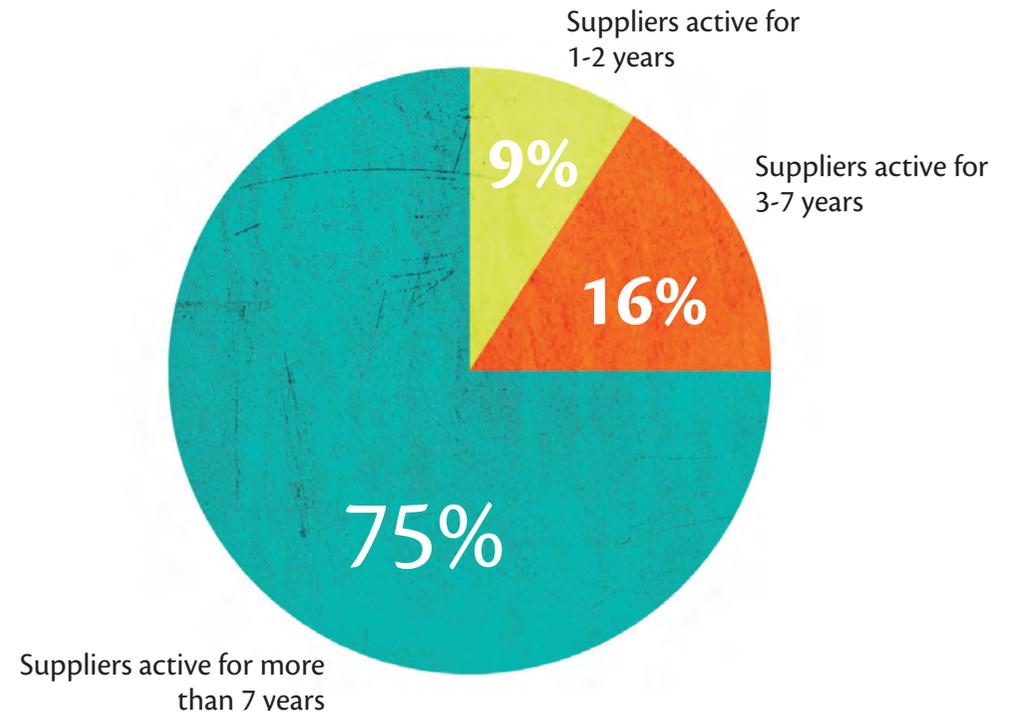


Custom designed component suppliers

IMA generates loyalty not only with end users, but also with suppliers. 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 **75% of cases, relationships last for more than 7 years**.

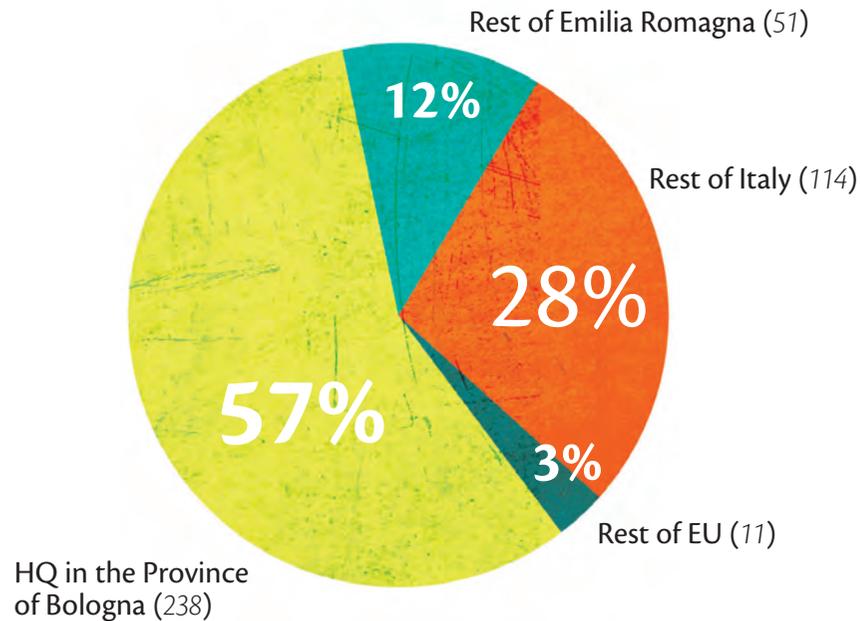
They include all sorts of suppliers in terms of structure and organization, including some businesses that are almost family-run. In any case, IMA focuses on the local area for supplies, not only for reasons of logistical convenience and undoubted technical skills, but also to actively contribute to and support the social development of its territory, understood as a "nursery" of excellence to be enhanced with a view to the future: **of 414 European suppliers active in 2012, 403 are Italian and 238 (57% of the total) are located in the province of Bologna**.

DURATION OF RELATIONSHIP WITH CUSTOM DESIGNED COMPONENT SUPPLIERS
(out of 414 EU suppliers active in 2012)



Suppliers of commercial components from catalogues

NO. OF CUSTOM DESIGNED COMPONENT SUPPLIERS (414 in 2012)



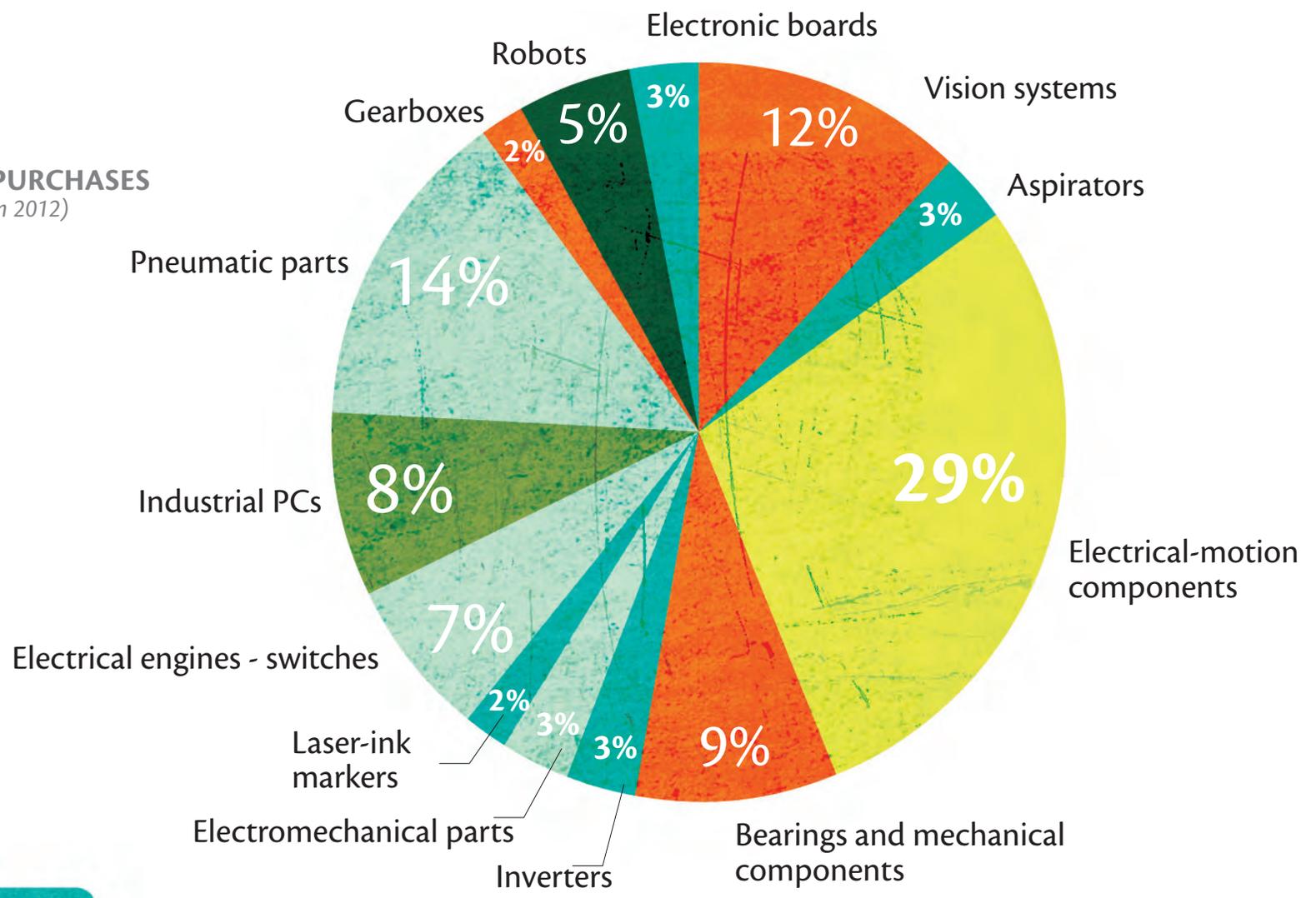
Suppliers of **catalogue components** (also called commercial) are all leaders in their field of competence: in fact, IMA has to have the best components (electronic, computer, mechanical, pneumatic, electro-mechanical) that the market can offer.

For this reason, it uses companies of the calibre of:

Antares Vision S.r.l.
B&R Automazione Industriale S.r.l.
Bonfiglioli Riduttori S.p.A.
Fabbi Imola S.r.l.
Fanuc Robotics Italia S.r.l. Soc. Unip.
Festo S.p.A.
Laetus Italia S.r.l.
Lenze Italia S.r.l.
Marangoni S.r.l.
Nilfisk-CFM S.p.A.
Nimax S.p.A.

Nordson Italia S.p.A.
Omron Electronics S.p.A.
Orteco S.r.l.
Rockwell Automation S.r.l.
Schaeffler Italia S.r.l.
Schneider Electric S.p.A.
Selcom Elettronica S.p.A.
Siemens S.p.A.
SMC Italia S.p.A.
THK GmbH Italian Branch
ZF Italia S.r.l.

COMMERCIAL PURCHASES
(21.3 mn € in 2012)



The relationship with non-manufacturing suppliers

To carry on its business, IMA obviously also uses so-called "non-manufacturing" suppliers, i.e. companies that offer goods and services that are not strictly related to the process of manufacturing the machines: energy supplies, 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.

In 2012, IMA paid approximately **90 million euros** to all of these providers. IMA tendency is to use the large volumes that it is able to generate to establish stable relationships and get the best possible terms and conditions: for this reason, even if the total number of suppliers is high (over 300), 80% of non-manufacturing purchases is with a smaller number of suppliers, again giving preference to local firms.

Quality System procedures are also envisaged for certain categories of non-manufacturing suppliers, namely those that work in the field of engineering (mechanical, electrical and software) and in the production of packaging materials for IMA's machines.

The following graph shows IMA's main supplies by type, considering those for which the Group spent more than a million euros in 2012.

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

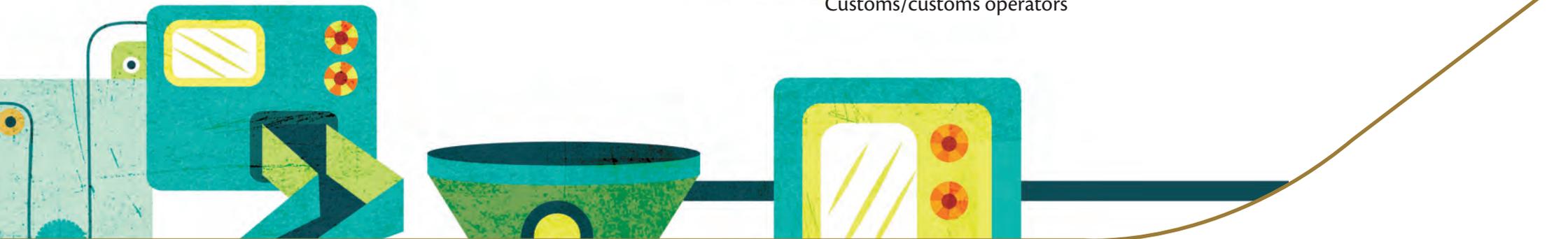
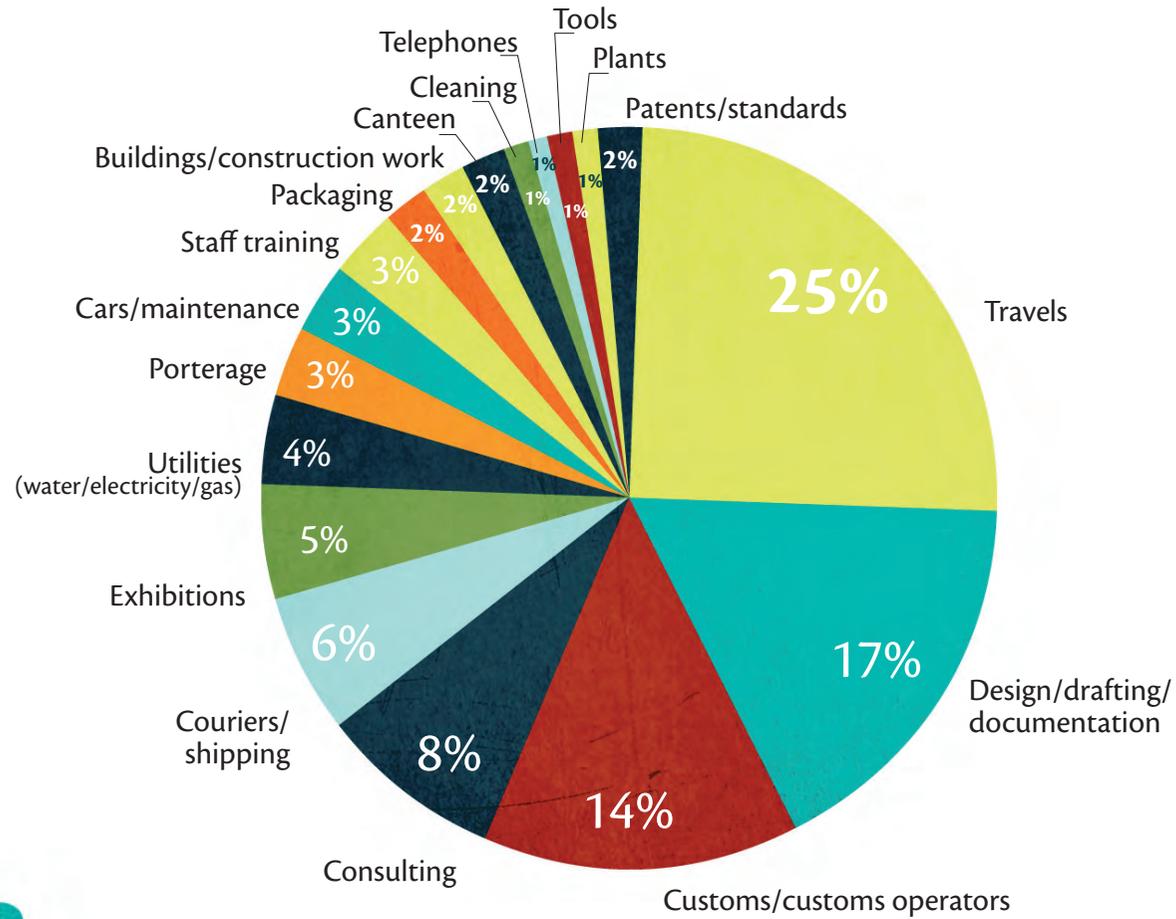
There are on average around **230-250 people** who operate daily within IMA as a result of contracts for free use of assets, outsourced activities or for the provision of services.

Non-manufacturing suppliers and their staff belong 90% to the area surrounding IMA's head office, within a radius of about 50 km on average.



MAIN NON-MANUFACTURING PURCHASES

(the chart refers to items worth >1 mn € and covers about 90% of total non-manufacturing purchases of approx. 90 mn € in 2012)



IMA for the environment



Integrated
waste
management



Monitoring of
electricity
consumption
to reduce unnecessary waste



-17%
Consumption
of H₂O



Designing
machines
with **lower power**
consumption on
the request of end users



Carbon
Disclosure
Project



Reduction of waste
through
digitization
of printed materials



Emissions and energy management

The quality of our social system in the future also depends on the extent to which we **respect and protect the environment**. Adopting sustainable and responsible behaviour has 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 three main areas:

- **Atmospheric emissions**
- **Waste**
- **Effluents**

In each area, IMA has prepared programmes and initiatives to reduce the environmental impact and improve efficiency in the use of resources.

Emissions and Carbon Disclosure Project

All atmospheric emissions arising from corporate activities are authorized under existing legislation by the Province in which the plant concerned is located. For each plant, IMA has authorization from the authority and adheres strictly to the requirements: **self-control chemical analyses are performed annually** 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 abatement/filtration systems are the subject of **periodic maintenance and cleaning** so that they are always in a state of efficiency.

Overall, **IMA's plant emissions produce a relatively low level of pollution** and the pollutants generally consist of particulate and oil mist (which are filtered and abated).



Note, moreover, that overruns of the imposed limits have never been recorded.

To develop its commitment with regard to emissions and to reduce them gradually over time, in 2012 IMA joined **CDP's Supply Chain Program** (see box).

This project, which is aimed at companies, consists of implementing strategies to involve the participants' partners in **reducing emissions throughout the supply chain** and managing environmental risks associated with climate change.

Every year companies participating in the programme are required to report their emissions (calculated in terms of emissions of carbon dioxide (or CO₂) equivalent in order to monitor them and, if possible, establish a plan to reduce them over time. The total amount of a company's direct and indirect emissions, accounted for in terms of CO₂ equivalent, is called the company's **"Carbon footprint"**.

Having defined their carbon footprint, companies have an incentive to define and publish their commitments and investments to reduce their "footprint".

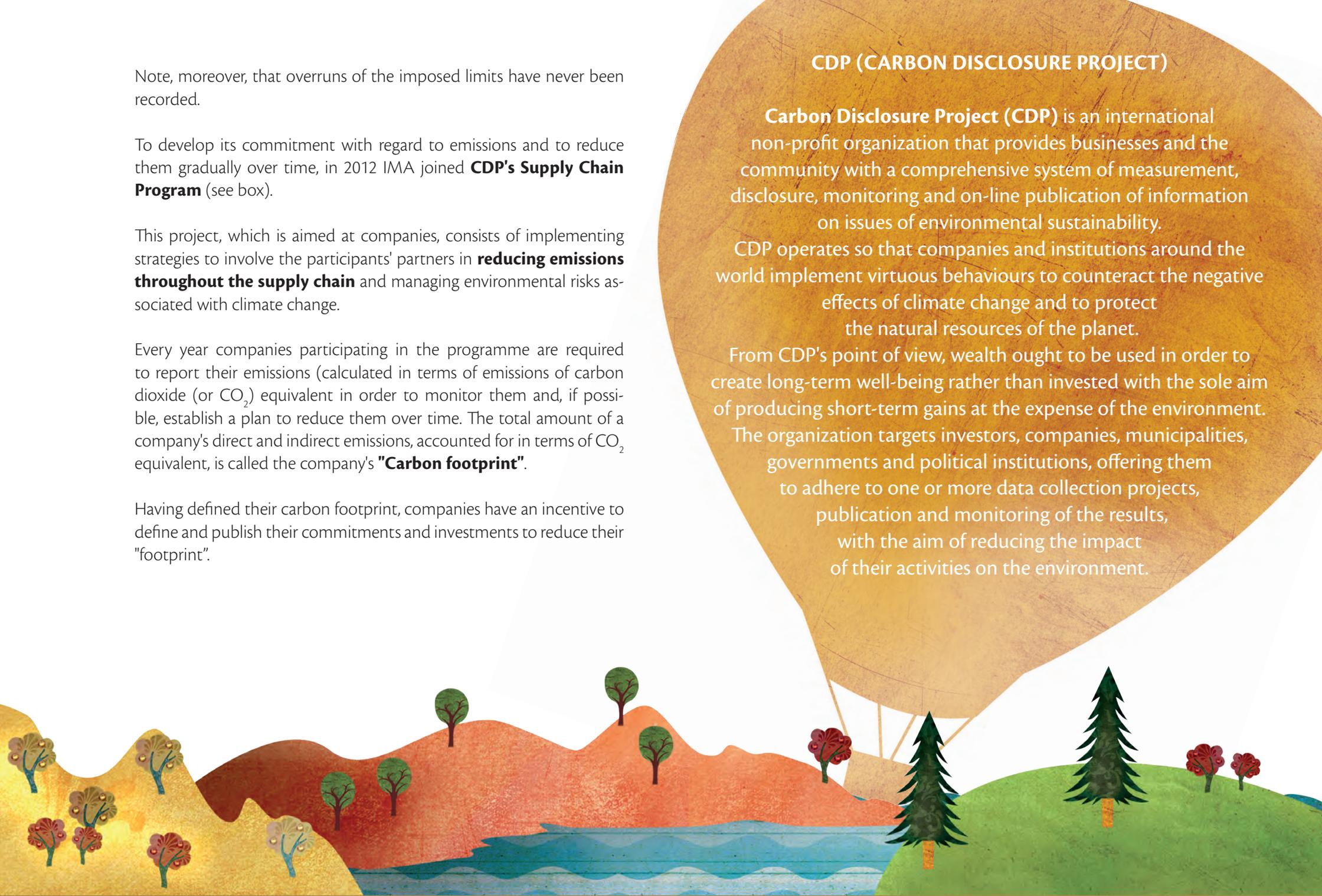
CDP (CARBON DISCLOSURE PROJECT)

Carbon Disclosure Project (CDP) is an international non-profit organization that provides businesses and the community with a comprehensive system of measurement, disclosure, monitoring and on-line publication of information on issues of environmental sustainability.

CDP operates so that companies and institutions around the world implement virtuous behaviours to counteract the negative effects of climate change and to protect the natural resources of the planet.

From CDP's point of view, wealth ought to be used in order to create long-term well-being rather than invested with the sole aim of producing short-term gains at the expense of the environment.

The organization targets investors, companies, municipalities, governments and political institutions, offering them to adhere to one or more data collection projects, publication and monitoring of the results, with the aim of reducing the impact of their activities on the environment.



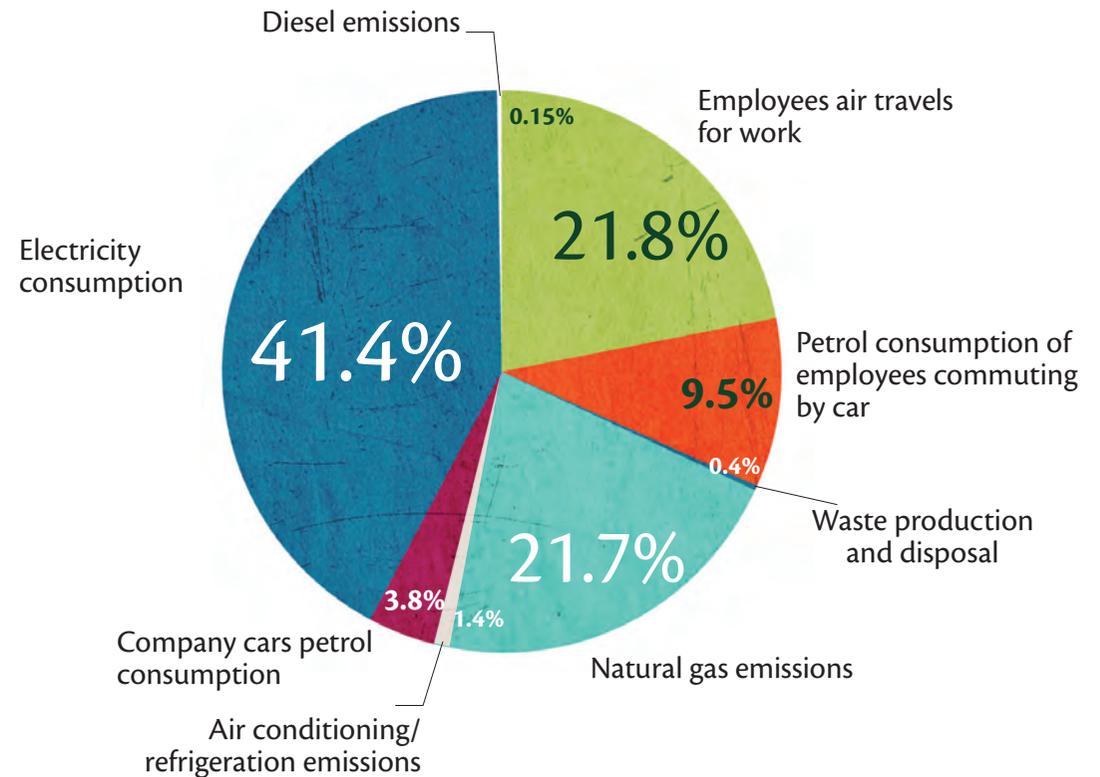
IMA began to report to the CDP Supply Chain data relating to its **plants in Italy for the year 2011**, calculating in terms of CO₂ equivalent:

- The **direct emissions** from operating the plants 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 from energy consumption to service the plants**
- The **indirect emissions not resulting from energy consumption**, i.e. the emissions attributable to the production of waste, emissions caused by employee mobility (i.e. transport to work and back) and emissions from air travel by employees

The next step in the measurement of emissions is to draft an **Improvement Plan** with the objective of limiting and reducing emissions. IMA has begun to identify some of these measures, the effects of which will be visible from 2013.

CARBON FOOTPRINT

(IMA SpA + IMA Industries Srl + GIMA SpA + Corazza SpA plants)



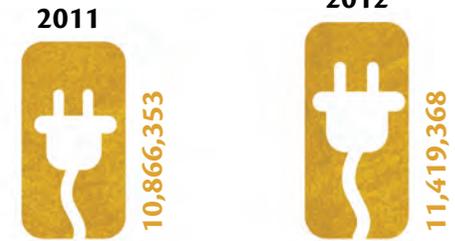
Energy management

Energy management is a key area to **reduce 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).

There are various ways of reducing energy consumption, ranging from the adoption of appropriate behaviour on the part of personnel (for example, employees are invited to turn off their computer screens at the end of the working day or during the lunch break) to investment in low energy lighting.

The energy consumed by heating and cooling devices is also monitored constantly through a central control panel (to reduce waste at night or during the weekend).

ELECTRICITY CONSUMPTION (KWh)



GAS CONSUMPTION (m³)



DIESEL CONSUMPTION (litres)



Waste management and waste water

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 processes on metal surfaces with chip removal (such as the workshops) generate waste consisting of residues such as metal and non-metal filings, ferrous and non-ferrous scrap, and pieces of metal and other materials.

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 of packaged pharmaceuticals and packaged food and cosmetics).

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 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.

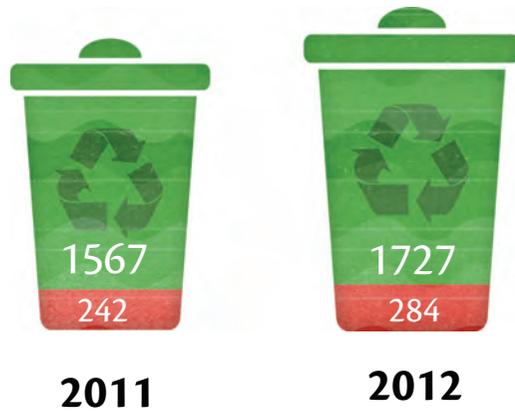
All types of waste produced by the Company are collected separately and disposed of in compliance with the law (preferably taking them to specialist disposal facilities that treat them with a view to recycling). This takes place at each plant, where the workers involved in the collection and storage of waste have to comply with specific procedures.

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. Approximately two thirds of the waste produced by IMA are recycled, whereas only a minor portion goes into landfills. To be more precise:

- **65.15%** of the waste disposed of in 2012 went for recycling
- **2.28%** of the waste disposed of in 2012 went to landfills. This is exclusively food waste, being the products used for testing the tea-bag packaging machines (filter bags for tea and other blends)

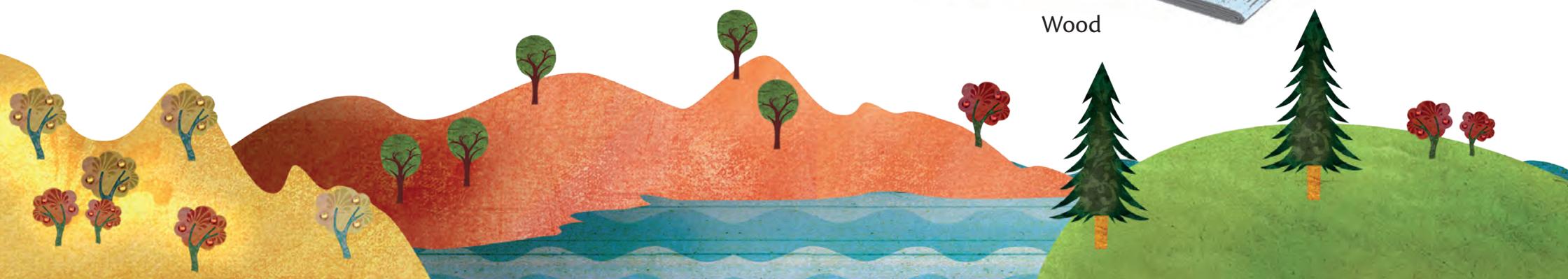
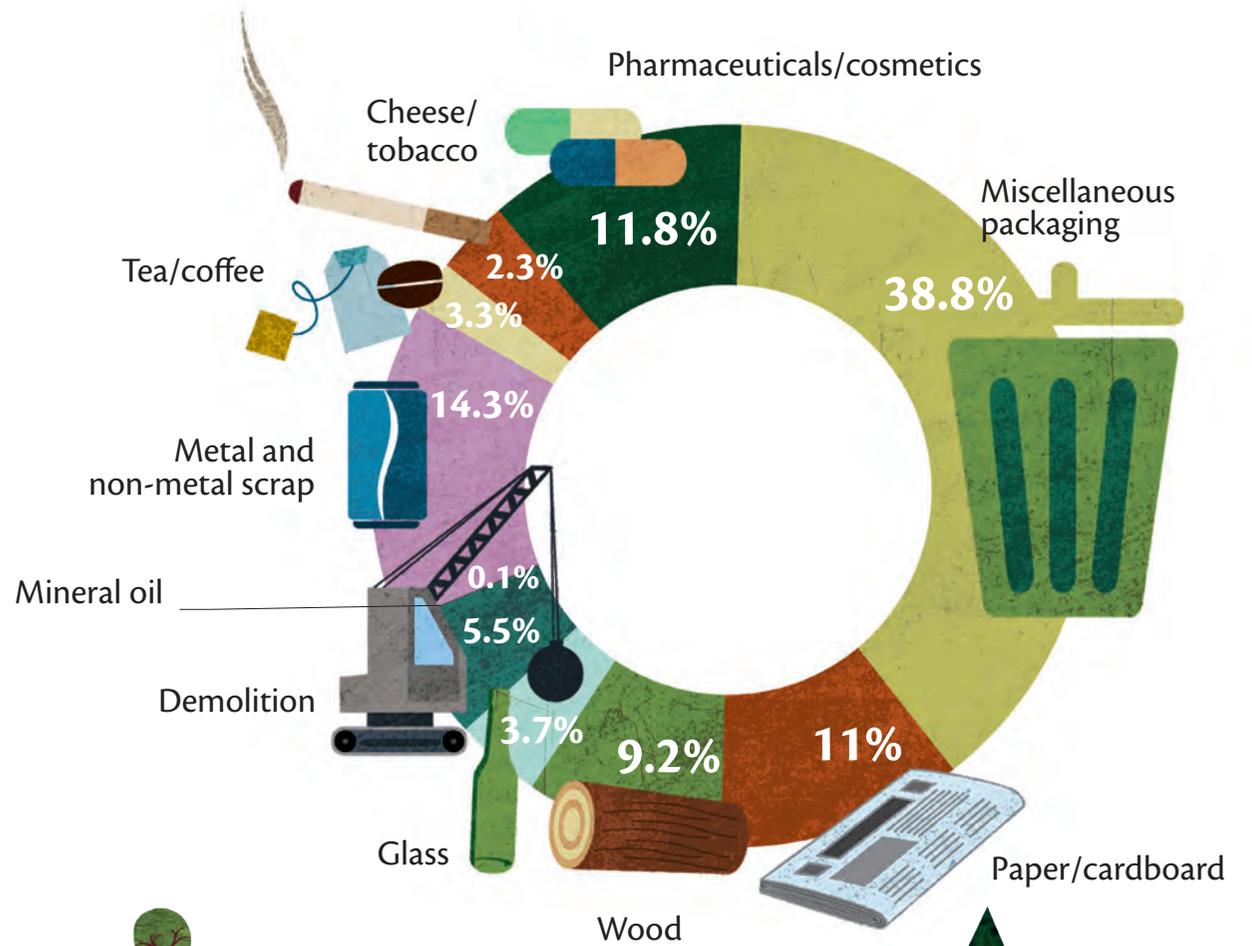


WASTE PRODUCED (tons)



■ non-dangerous waste
■ dangerous waste

TYPE OF WASTE

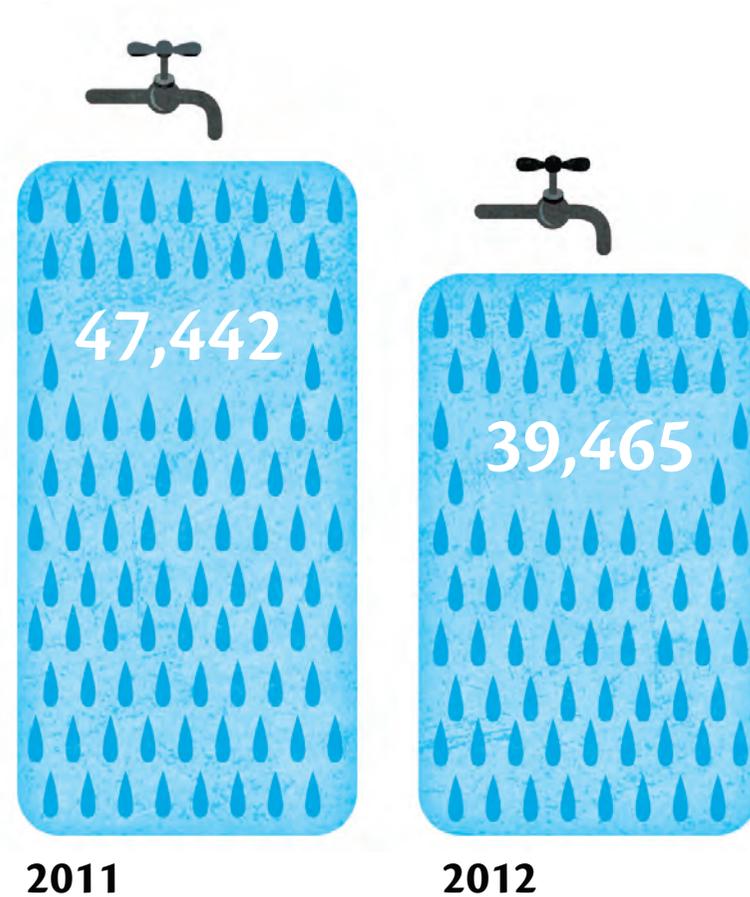


- The residues from testing packaging machines (for packaged drugs and cosmetics) are sent to a storage centre that carries out a preliminary treatment on them, then sends the processed materials to an incinerator

Water is sourced from the municipal **water supply** as regards the water used for sanitary purposes and production processes (washing automatic machines, testing the machines with demineralized water, washing them after the testing with trial products). On the other hand, water drawn from underground wells is used for watering the greenery at the plants. As regards the Company's **water requirement**, in 2012 IMA consumed **39,465 cubic metres of water (-17% compared with 2011)**.

The waste water discharged by IMA's plants consists exclusively of domestic-type waste from toilets, canteens and courtyards. This waste is 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 (m^3)



IMA's social commitment



One million euros

donated by IMA
in 2012



Initiatives aimed at younger students
to promote **technical training** and
scientific knowledge



FiD project

**Fare Impresa in Dozza -
Doing Business in Dozza**
for the reintegration of prisoners
into the world of labour

Social solidarity

projects proposed
by employees

Financing of
cultural and **sporting**
activities



Support initiatives

following the earthquake

in Emilia



Participation in the creation of E.R.-AMIAT

Emilia-Romagna Advanced
Mechanics and Industrial
Automation Technology



SAVE FOOD
Solutions for
a world aware
of its resources

IMA membership



IMA's social responsibility: the internal dimension

The territory in which a company grows up is the natural habitat for its development, the humus in which the company has its roots. Which is why it must be treated with care and kept fertile, irrigated constantly and defended against stormy weather. A large company needs to protect its territory not only for ethical reasons, but also for its own good. In other words, a modern company cannot grow without being involved in the problems of the social and economic context in which it operates.

For a great many years, IMA has contributed selflessly 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. 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: so from this point of view, since 2011, every employee of IMA has been involved in the choice of social projects that the Company has then supported, especially those expected to last some time.

IMA celebrated its 50th anniversary at the end of September 2011. Half a century of corporate life, dedication and success celebrated by those who work for the Group, but also by the local community which has contributed so much to the development of Italian manufacturing.

The IMA 50th birthday was an opportunity to commemorate the long industrial history that has led the Company to establish itself in the world, but it was also the right time to look to the future and revive the Company's commitment to social responsibility: through a regular announcement and a system of independent assessment, IMA launched a competition of **social responsibility projects** open to all employees, in order to enhance their commitment to voluntary activities in associations operating in the area.

Five macro areas were involved in the 39 projects presented.



People of value for a great enterprise: IMA celebrates its 50th anniversary

- School, after-school activities and sports, and culture
- Support for the disabled
- Health, care and prevention, and assistance
- Family, immigration and equal opportunities
- Environment and renewable energy, and organic farming

Of all the projects submitted, **three were selected and funded for three years** (2012-2014) with a total of **330,000 euros** (112,350 euros were paid out in 2012).

Auxilia: another vision

A comprehensive rehabilitation programme for people with low vision by creating a mobile and fixed "auxiliatheque"

Prevention has no colour

A project in favour of immigrant women for the early detection of tumours

With us from first to third

A project to help middle-school children in Calenzano (Florence) in their studies, with a view to reducing the number of them who leave school early

IMA Industria Macchine Automatiche was founded in 1961. Two days of events were held on 30 September and 1 October 2011 to celebrate the Group's fiftieth anniversary.

The first day of festivities opened with the **inauguration of the new facade of IMA's historical head office in Ozzano dell'Emilia**, in the presence of the President of the Region Vasco Errani, the Mayor of Ozzano Loretta Masotti and His Eminence Cardinal Carlo Caffara. The Chairman of IMA Alberto Vacchi and the Honorary Chairman Marco Vacchi did the honours. In his opening speech, Alberto Vacchi recalled with emotion the five decades of industrial history that have allowed IMA to establish itself as world leader in the design and manufacture of automatic machines, while remaining firmly anchored to its territory of origin. Marco Vacchi thanked the Company's first employees (Luisa Malaguti and Carlo Alberto Miselli, who joined him on the podium), delivering certificates of recognition for their important contribution to the growth of IMA.

To close the ceremony, the blessing of His Eminence Cardinal Carlo Caffarra and the traditional ribbon-cutting ceremony, which was followed by a visit to the plants.

The celebration continued with a **gala evening in the splendid setting of Palazzo Albergati in Zola Predosa**, which was attended by more than **2,000 invited guests including employees, consultants, authorities and friends of the Group**. The stage of the large tent set up for the occasion was able to count on an exceptional backdrop: the projection on the facade of Palazzo Albergati of the slogan chosen for the celebration: **"People of value for a great enterprise"**.

The guests applauded the idea of a "company as a family" expressed at the start of the evening by senior managers, Andrea Malagoli and Alberto Vacchi, as well as "the importance of values and human resources" declared by **Romano Prodi**, who awarded the first **three projects of social responsibility** proposed by employees to mark the event. Awards were also given to the first **four videos on social issues**, again made by employees, demonstrating the power of ideas and creativity that characterizes the Group's resources.

The short speech by Anna Maria Vacchi moved everyone present: it was also an opportunity to celebrate her fifty years of marriage with the Honorary Chairman Marco Vacchi. The evening was enlivened by a **show by Maurizio Crozza**, who entertained the guests with the best pieces of his repertoire. After dinner, more than 200 cakes with as many candles illuminated the rooms of the seventeenth century building.

The celebration ended on 1 October 2011 with the **"Open Factory"** initiative, through which IMA opened the doors of the Group's Italian plants (those in via Emilia and via 1° Maggio in Ozzano dell'Emilia, the BFB Division in Bentivoglio, IMA Life in Calenzano (Florence) and CO.MA.DI.S. near Milan, as well as the recently acquired Corazza and GIMA) to employees and their families, with itineraries to visit the various facilities. The initiative was attended by **around 4,000 people, including more than 800 children**, reflecting the value of IMA's people and of the great enterprise that they have helped to grow in half a century.



A dolphin for a special anniversary

On the occasion of this celebration, a **small dolphin, an exact artistic reproduction of a bronze decoration from Roman times** (end of the first century BC. - beginning of the first century A.D.) was produced exclusively for the employees and friends of the Group. It was discovered in 1987 during archaeological excavations at the site of the ancient Roman city of Claterna, a short walk from IMA's historical head office in Ozzano. The original, an applique used in Roman times to decorate furniture, is kept at the Museum of the City of Claterna in Ozzano dell'Emilia, where it can be admired along with other archaeological finds.

Known and loved since ancient times, the dolphin has gone through the ages as a positive and auspicious symbol: in Ancient Egypt it was a symbol of fertility, for the Greeks it represented life, for the Romans it embodied good fortune and beauty, while in primitive Christian art it symbolized love, diligence and speed. And it is precisely **love for their work, dynamism and diligence** that are the underlying principles of the great human and professional wealth expressed today by IMA's employees and consultants. For IMA, the Claterna dolphin represents its strong link with a territory that has given rise to its success story, and it is for this reason that it was chosen to celebrate the Group's 50th anniversary.



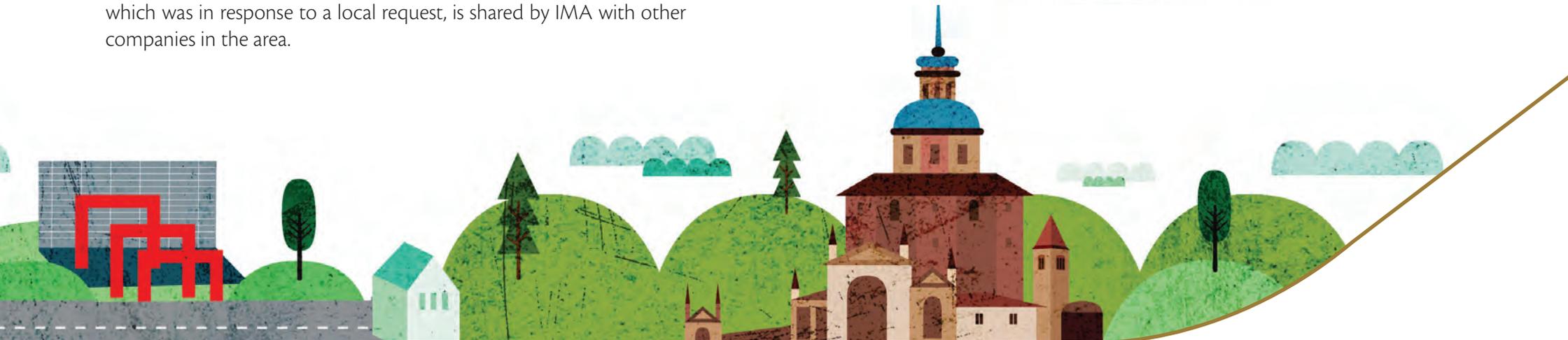
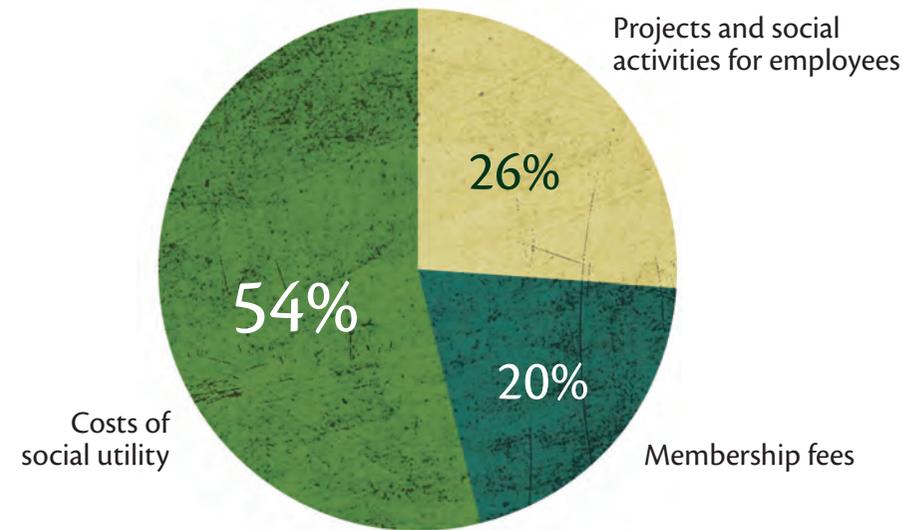
Investment in the community

During 2012, IMA supported numerous social, cultural and sports activities, making grants and donations for a total of **1,020,229 euros**. This amount includes the resources allocated to the **social responsibility projects** presented by employees on the occasion of the fiftieth anniversary, as well as the fees that the Group has paid to join **representative or industry associations**.

Being a member of national and international associations and institutions allows IMA to contribute to the dissemination of quality, innovation, industrial culture and sustainability in general. For example, IMA is a member of Unindustria Bologna, Federmeccanica, UCIMA, Associazione Amici del Museo del Patrimonio Industriale, E.R.-AMIAT, Impronta Etica and Prometeia.

The **costs of social utility** include contributions to local entities and associations, including support for the Bologna football team: in fact, for the three-year period 2011 - June 2014 IMA qualifies as an **"institutional sponsor" of Bologna Football Club 1909**. This participation, which was in response to a local request, is shared by IMA with other companies in the area.

SOCIAL COMMITMENT IN 2012:
(Financial contributions € 1,020,229)



The following are the **social responsibility projects** proposed and selected by employees on the occasion of IMA's fiftieth anniversary.

Auxilia: another vision

Since 1992, the **Associazione Retinite Pigmentosa Emilia-Romagna Onlus** has supported and assisted people affected by retinitis pigmentosa (an inherited, degenerative eye disease that causes severe vision impairment and often blindness). Those who suffer from this disease are offered pathways of rehabilitation, assistive technology consulting, promotion of scientific research and awareness initiatives.

Auxilia consists of a mobile and a fixed "auxiliatheque" (aid centre) that help create personalized pathways of rehabilitation that can be implemented at home, facilitating the choice of the

most useful aids and providing assistance in low vision technologies. In 2012, with the contribution from IMA, were bought several aids (including: two table video magnifiers for easy reading of books and magazines; a pocket video magnifier; a scanner for "reading" written texts with speech synthesis; a mobile phone with text-to-speech software, text recognition and the ability to read two-dimensional bar code labels; a personal notebook computer with 17" video, large character keyboard, magnification software and Zoom Text speech synthesis) and household equipment (talking bathroom scales, talking thermometer, talking clock).

AUXILIA: ANOTHER VISION

total contribution

2012-2014:

€ 175,764

contribution
made in 2012:

€ 64,860

With us from first to third: projects to encourage studying

IMA has been supporting the activities of the **Associazione Il Ginepro** which in 2012 worked with second grade primary school pupils. About 40 students were involved throughout the year (an average of 15 per day) with 8 paid or volunteer teachers (4-5 per day on average).

With classes lasting two hours a day in all school days, **qualified teachers and educators gave students support in their day-to-day study of the school subjects, as well as teaching them a method of study to make them able to learn on their own.**

Following considerable participation on the part of secondary school students, proposals have been made for new activities that would involve two separate projects involving high school students and elementary school children.

WITH US FROM FIRST TO THIRD

total contribution

2012-2014:

€ 42,234

contribution
made in 2012:

€ 11,490



Thanks to its many years of experience in this field, the Associazione Il Ginepro has also launched pathways to support parents: with the help of experts in adolescent problems, it organized a series of meetings with parents in order to guide them in managing conflicts with their children which can be very serious and cause major hardship, especially in the more peripheral areas.

Prevention has no colour

IMA dedicated another contribution to the **Associazione Pace Adesso (Peace Now)** to support the humanitarian project "Women and Development".

This project is a response to a serious **medical problem concerning immigrant women** who, for various reasons, do not get involved in basic medical services early on and often come to the emergency departments of hospitals with advanced breast and uterine tumours.

This phenomenon is not just about undocumented immigrant women, completely unknown to the health and social services and to which this project is particularly aimed, but also women with a regular residence permit who do not turn up for screening when summoned.

The area concerned is the Province of Bologna, where there were around 54,000 legal immigrant women as of 31 December 2010 (source: Province of Bologna) and presumably about as many illegal ones. The number of women potentially involved in this prevention project is put at around 74,000. "Prevention has no colour", lasting three years, provides above all for **early diagnosis**, which is pursued by approaching women through existing bodies such as town halls, trade union offices, tax advisory centres, the church (CARITAS) and various aid centres, as well as through print advertising in various languages, or creating specific opportunities to meet with women's groups.

For those who are irregular or in difficulty, there is a specialist service that can give them a free diagnosis and, if necessary, provide the necessary treatment.

PREVENTION HAS NO COLOUR

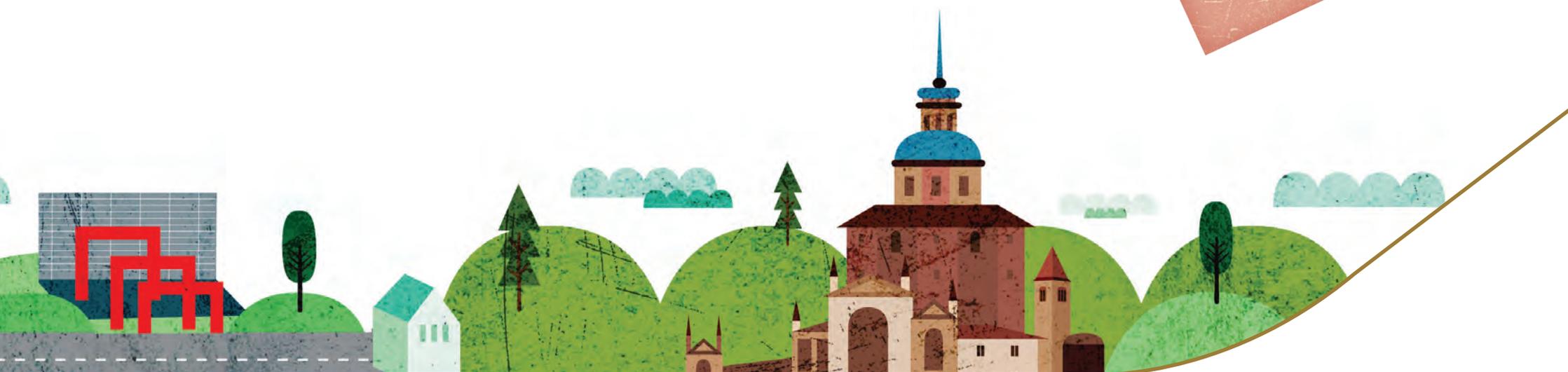
total contribution

2012-2014:

€ 112,000

contribution
made in 2012:

€ 36,000



Save Food, Solutions for a world aware of its resources

IMA has joined SAVE FOOD and agrees with the objectives expressed in its constitution. As a member of the project, IMA will also participate in the initiatives due to be promoted at the next edition of Interpack, the most important exhibition for the packaging industry worldwide, which will take place in Düsseldorf in 2014.

Declaration of the initiators and participants of the SAVE FOOD congress 2011



- We consider the global loss of foodstuffs to be one of the most urgent problems in the global community.
- We would like to help guarantee safe food for a constantly growing global population and to save valuable resources. People in less developed countries should participate fairly in the economic opportunities of the global food flow.
- We demand, wherever required and possible, a different method of handling the food available. We know that the challenges in the regions of the world vary greatly.

*Where valuable food rots away unused on fields, we support the search for efficient agricultural processes and sustainable development on site. Where food is ruined in the food chain, we encourage concepts which focus on better logistics and suitable packaging. Where political relations stand in the way of reducing food loss, we demand that the responsible body takes action. Where food producers and trade can contribute, we inspire businesses to take appropriate measures. Where consumers waste foodstuffs, we fight for more respect for food. **With the SAVE FOOD initiative, we want to help to fight against the loss of food across the world.***

The SAVE FOOD initiative wants to send a clear signal against food waste. This unusual alliance between the private sector, the public sector, FAO and UNEP, the multi-stakeholder approach, expertise in dealing with industry and the collaboration with Messe Düsseldorf ensure credibility and a good reputation for the SAVE FOOD initiative.



SAVE FOOD aims to **put in contact with each other stakeholders in the fields of economics, politics and research**, encourage dialogue and be helpful in the development of solutions for the food chain.

The range of activities of the initiative includes the study of solutions to the problem of food waste, an itinerant exhibition throughout the world, support for various local projects and presentations at international conferences in various countries.

The initiative also includes an **extensive communication platform that caters to industry and consumers**, which includes an annual international conference, actions that have an impact on the audience during World Food Day and a dedicated website.

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

A business within the walls of Bologna prison: the idea was born in 2008 in a joint project combining the institutions, three of the largest industrial companies in the area (IMA, G.D/Coesia and the Marchesini Group) and vocational training (Fondazione Aldini Valeriani). 2010 saw the foundation of FiD - Fare Impresa in Dozza (Doing Business in Dozza), a social enterprise in the form of an S.r.l. (private limited liability company), with the aim of facilitating the reintegration of objectively disadvantaged people into society.

In 2011 an initial selection was made by FiD, in collaboration with the prison management, to identify suitable candidates for the project: a first requirement was that the individual's prison sentence had to be at least 4 years. Another assessment on aptitude and psychological aspects led to the choice of the 15 people to be involved in the **training run by the Fondazione Aldini Valeriani**. The training took place in a former gym located in the prison, renovated, adapted and transformed into a mechanical workshop. This environment was then



equipped with machine tools lent by the member companies, along with work tables, tool kits for assembly, technical documentation and teaching materials. During the training period, the prisoners were joined by tutors, retired employees of member companies, which participated in the project on a voluntary basis (receiving only an expense reimbursement).

After the training period, in May 2012, **10 inmates were hired by FiD** at contractual and wage level 2 (under the National Industry Contract for Metalworkers) agreed with the trade unions and in line with sector wages in force "outside". The work, which is carried out entirely inside the prison, lasts for six hours per day and consists of assembling mechanical parts and building simple components with related fittings. **Production is organized and split between the three member companies.**

16 November 2012 saw the official inauguration of the social enterprise FiD - Fare Impresa in Dozza S.r.l. at Bologna's Dozza Prison in the presence of the authorities and representatives of IMA, G.D/Coesia, Marchesini Group and Fondazione Aldini Valeriani. The aim is that when the workers complete their detention period, they have learnt a skill that should make it easier for them to find a job in the area: the member companies and their network of subcontractors will evaluate the profiles of inmates on their release from prison.

This fruitful collaboration between prison management, vocational training, institutions and companies, the strong integration with the territory and specialization in the field of packaging and industrial automation, make FiD a unique experience in Italy.

In 2012, L'Oréal recognized the project as an example of "Solidarity Sourcing" of its supply chain.



Initiatives for the earthquake that hit Emilia in 2012

After the earthquake that hit Emilia in May 2012, entrepreneurs in the Bologna area competed to provide solidarity, confirming the industriousness and generosity that have always characterized our territory. Several interventions involved IMA in various ways, including initiatives by its employees and its managers.

Solidarity against disasters

IMA mobilized immediately: thanks to the **"Solidarity against disasters - CGIL-CISL-UIL Bologna"** campaign, numerous employees of the Group donated one or two hours' pay, collecting a total of 19,235 euros. This figure was then "doubled" by Group divisions and companies, which decided to contribute the same amount, thereby reaching a **total of 38,470 euros**. In accordance with local institutions, the funds raised were allocated principally to help children and the elderly living in the areas affected by the earthquake. An important initiative that demonstrates the value that IMA has always attached to solidarity.

RICOSTRUIAMO! (LET'S REBUILD!)

IMA also participated in the **RICOSTRUIAMO! (LET'S REBUILD!)** initiative sponsored by **Unindustria Bologna**. The Industrialists' Association of Bologna, chaired by Alberto Vacchi, set up a fundraising campaign to help rebuild the areas of our province worst hit by the earthquake. The initiative was supported not only by the members of Unindustria, but also by the entire business community of Bologna. The fund is also financed by Unindustria Bologna, which for every amount received, pays an identical sum up to a maximum of 100,000 euros. The money raised remains within the province of Bologna and is being allocated to permanent works, as decided by the governing bodies of the association, to be implemented in the towns worst hit by the earthquake.

Unindustria Bologna's website shows the up-to-date amount collected and details of the initiative (ricostruiamo.unindustria.bo.it).



Unindustria Bologna also received offers of **50,000 square metres of space in industrial sheds** that can host free of charge any companies forced to leave their own premises. These spaces have gone primarily to the Bolognese companies damaged by the earthquake, while any surplus space has been made available to companies in other areas in agreement with the other provinces.

“ *These initiatives are a way for us to keep everyone’s attention on our province, on the businesses and families affected. Bologna entrepreneurs will work together with their colleagues that are most involved, as they have been doing since the day of the earthquake, sharing factories, resources and offices, and they will continue to do for as long as there is a need. This fundraiser will once again bear witness to a sense of genuine solidarity.*

Alberto Vacchi

President of Unindustria Bologna and Chairman of IMA

The efforts made by Bologna’s business community have paid off: concrete acts of solidarity have helped the recovery of the firms affected, the reconstruction of the areas of our province most affected by the earthquake, and provided support for the families most in need.

Christmas for Emilia

On the occasion of the **2012 Christmas Holidays** IMA felt compelled to help the earthquake zones even more by joining the **“Christmas for Emilia”** project. The Group therefore bought Christmas presents made by some of the companies and cooperatives involved in the earthquake for the Italian employees of the Group: a selection of traditional local foodstuffs (some organic and zero km) and fair trade products.

Thanks to the sale of Christmas parcels, the companies and social realities involved in this project have begun to reconstruct their damaged premises, allowing them to continue their activities.



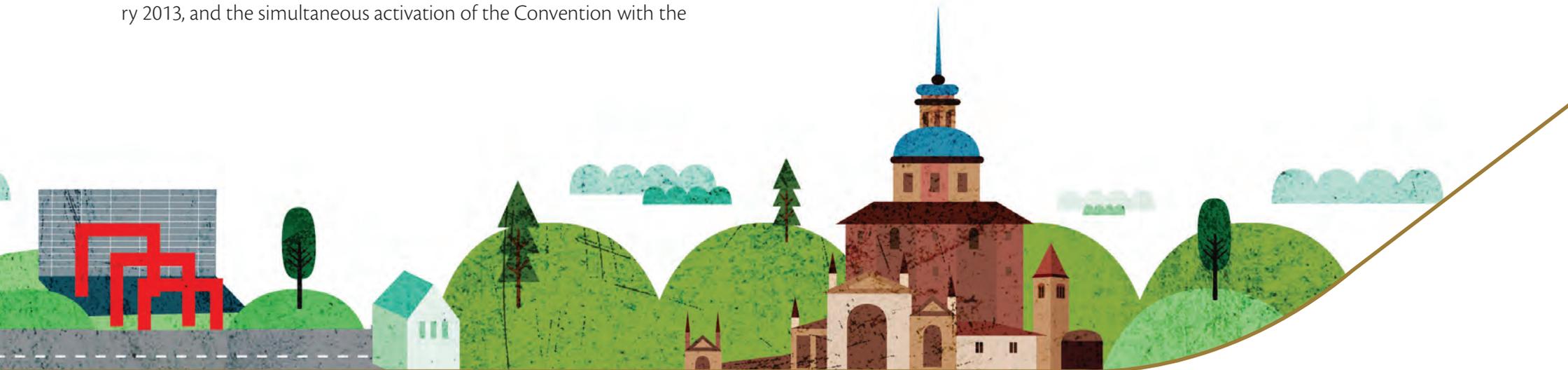
Culture, education and training

The IMA Group has long been in contact with schools, training organizations, universities and research centres. Many projects are underway and are growing in number. The more significant in 2012 include:

- **Integration with the university** to prepare graduation theses at the Company: in 2012 IMA Industries (and its subsidiaries) hosted 12 undergraduates (of these, 7 were subsequently hired). There are also various examples of cooperation with academics on company project works (in particular the Mechanical Engineering examination of Prof. Zucchelli, which saw the IMA Group as a leading partner). Lastly, IMA employees have acted as company testimonials at a number of universities to explain the phenomenon of Bologna's industrial cluster and the opportunities that the Group offers graduates and undergraduates
- As part of the development of the **Higher Training Apprenticeship**, in 2012 IMA launched an exploratory apprenticeship to verify the issues covered by the contract, then regularly entered into from January 2013, and the simultaneous activation of the Convention with the

University of Bologna. It is one of four pilot projects in the Province of Bologna, which will serve as a case study for the development and promotion of this particular type of contract

- The **IMA Group's partnership with the ITS Course in New Technologies for Products Made in Italy - Mechanical Systems - Industrial Automation** (of which it is a founding member and from whose Board comes the President of the Fondazione ITS) continues fruitfully through constant support in the design of the course (training and project work dedicated to children; donation of materials for the laboratories at the Fondazione Aldini Valeriani)
- Our **collaboration with technical and vocational institutes for school-employment placements**, which has long-standing roots, continues in full swing. The Group is partner of choice for many technical schools in the area



Claterna - a cultural association for social promotion

- In 2012, IMA Industries supported for the third year running the **Fare Impresa (Enterprise Building) Project** (organized by FAV) with the Istituto Majorana of San Lazzaro, donating electro-mechanical materials and providing planning advice to the school
- Responding to the cry of alarm raised by **Istituto Salesiano**, a private school often dedicated to the recovery of troubled teens and historical training centre for many technicians in the area, the IMA Group contributed to the survival of its vocational course in mechanics

IMA S.p.A., the City of Ozzano dell'Emilia and the Claterna Archaeological Group are the founders of the **Associazione culturale Civitas Claterna (Civitas Claterna Cultural Association)**, born in July 2005 in collaboration with the Ministry of Cultural and Environmental Heritage (Superintendence for the Archaeological Heritage of Emilia-Romagna).

The synergy between these various entities **represents an innovative model in the management of local cultural heritage**. The Association's constitution lays the groundwork for the creation of a **comprehensive and ambitious project to develop culture in the Ozzano area**, based on the rediscovery of an important archaeological site in the region, the Roman city of Claterna.

According to the project, the recovery of the Claterna site becomes the starting point for the discovery of the history of Ozzano and the area east of Bologna. During its initial years, the association launched its institutional activities, which can be divided into two main fields which are close connected: scientific research and dissemination.



Its **scientific research** has had a great deal of visibility thanks to the archaeological dig, enhanced by lectures and guided tours. The excavation has made it possible to develop the basic maps needed for the preparation of a long-term scientific project of extensive exploration of the site, through small interventions to get more historical information on the state of conservation of the ancient city. These surveys began in 2007 and are presented annually to the public through conferences.

Dissemination takes place throughout the year and provides many moments of contact between professionals from the world of archaeology and citizens interested in the project. Dissemination takes various forms, primarily through educational activities in schools, voluntary participation in the archaeological investigations and the arrangement of the exhibits, lectures and guided tours. Of these various dissemination activities, one of the most important is the one geared to primary and secondary schools in neighbouring towns, also thanks to collaboration with the Villanova Museum of Castenaso, the Civic Archaeological Museum of Budrio and the Municipal Library of Medicina.

CLATERNA IN NUMBERS

From 2006, the year that the exhibition in Ozzano was inaugurated, up to the early months of 2013:

7,200 people had attended organized events

2,400 people visited the "Museum of the Roman city of Claterna" exhibition (up to 31 July 2011)

16 schools and **64** classes have been involved on average per year

2,700 total hours of educational projects

190 visits to the dig

102 visits to the exhibition

8 participating municipalities



As part of this project, the relationship with the Department of Classical Studies of the **Ca' Foscari University of Venice** has been consolidated to offer its students, but also those of **other universities (Bologna and Ferrara)**, a technical and practical training course that will contribute towards the professional development of many future archaeologists. From excavation to documentation, from recovery to the cataloguing of finds: IMA has been supporting this project since 2011 (for a period of three years, with 20 students involved each year) and welcomes young archaeologists for lunch at the company canteen (in the historical head office in via Emilia, near the excavation area).

Other cultural activities supported and promoted by IMA

In recent years, IMA has promoted and supported cultural initiatives and activities, often carried out in collaboration with cultural institutions in the area. Not only moments of pleasure and entertainment for the participants, but also important opportunities to strengthen our corporate identity and sense of belonging among employees, to strengthen our bond with the area and to support culture.

“IMA Portraits” - Museum of Industrial Heritage

On 30 November 2011, the Museum of Industrial Heritage of Bologna hosted - as part of the review "The Protagonists Relate" - a meeting dedicated to IMA on the occasion of the fiftieth anniversary of the foundation.

The event included the inauguration of **"IMA Portraits"**, a photographic exhibition (that ran till 29 January 2012) of portraits of IMA's employees and consultants made by photographer Fabio Mantovani during the evening celebrating the Group's 50th birthday. During the event we also screened the movie "IMA: its history, its people, its future", again filmed during the celebrations of this important anniversary.

Evenings at the MAMbo - Christmas 2011

Unlike previous years, when different teams of colleagues organized the traditional evenings of pre-Christmas greetings more or less autonomously, the Chairman of IMA decided to transform the 2011 party into a more structured moment of corporate identity sharing.



Three evenings were therefore organized for the Italian employees of the IMA Group at the **MAMbo** (Bologna's Museum of Modern Art) with a **guided tour of the exhibition** and an aperitif with buffet. The first evening (19 December) involved the employees of IMA Industries; the second (20 December) saw the participation of employees from the IMA Life division, the Central Staff offices and Production Systems; the third (21 December) brought together employees of the IMA Active and IMA Safe divisions.

"Scriba Festival"

On 16 November 2012 GIMA hosted an event of the first edition of the **"Scriba Festival"**, a cultural review dedicated to writing. The plant hosted a meeting entitled **"Conception and organization of a festival: the company as a place to organize a cultural event"**. The event saw the participation of the writer **Carlo Lucarelli**, Giampiero Rigosi (writer and founder of the Bottega Finzioni school of writing), Piero Di Domenico (Artistic Director of the festival), Lino Bragadini (festival communication) and Michele Cogo (writer and founder of the Bottega Finzioni school of writing).

Evenings at the Teatro Arena del Sole - Christmas 2012

Again for Christmas 2012, the Chairman of IMA wanted to replicate the experience of the previous year: this meant organizing **two evenings** for the Italian employees of the IMA Group at the **Teatro Arena del Sole** of Bologna, which put on **"La Maria dei dadi da brodo"** (**"Mary of the stock cubes"**), a play on Packaging Valley devised, written and directed by **Marinella Manicardi**. This show was then turned into a book (by Marinella Manicardi and Federica Iacobelli), which was presented at the Libreria Coop Ambasciatori of Bologna in January 2013.

Arte & Scienza in Piazza 2013 (Art & Science in the Square 2013)

IMA was among the sponsors of **"Arte & Scienza in Piazza 2013"** (**"Art & Science in the Square 2013"**), the format created and produced by the Fondazione Marino Golinelli. The festival transformed the centre of Bologna into a science and art laboratory. The heart of the event was the "Benzines - The energies of your mind" exhibition, which offered interesting ideas on how to learn to know one's mental resources, understand how to use them and discover their importance in today's world.



IMA for the development of the industrial 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 "chain" or "district" become insufficient to represent all of the dynamics that are present.

The **advanced mechanics 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 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.

E.R.-AMIAT

The largest companies in advanced mechanics in the Emilia-Romagna region have joined forces and in 2011 set up **E.R.-AMIAT (Emilia-Romagna Advanced Mechanics and Industrial Automation Technology)**, an international non-profit association that aims to generate innovation and create the conditions to obtain more low-interest loans. Taking advantage of the dynamics of a cluster of national excellence, a process was initiated to raise capital through various channels.



Today, interest in the economic and social growth of the territory is essential for the companies in advanced mechanics. A fruitful relationship between the world of research and industry is essential to enhance the Emilia-Romagna business cluster, traditionally characterized by a strong industrial vocation.

During the first year after its foundation, in 2012 E.R.-AMIAT, together with Vittorio Prodi, organized a seminar at the European Parliament entitled **"Innovation, Competitiveness & Industrial Policy 2014-2020"**. The event showcased the policies that foster innovation and competitiveness in industrial clusters, but above all it tried to raise the visibility of the Emilia-Romagna advanced mechanics cluster and communicate how a successful cluster like E.R.-AMIAT can contribute to Europe's strategy for facing up to competition on world markets.

In addition, the financial commission of E.R.-AMIAT, which includes important officials from member companies, is progressing on many fronts to find a solution for the financing of the subcontracting cluster: this has led to talks with a leading Italian bank to create a medium/long term instrument (24/84 months), without guarantees, that can provide financial support for the advanced mechanics and automation industry. A solution involving access to subsidized credit for projects of innovative development and implementation of new organizational formats, for amounts of between 100,000 and 2,000,000 euros per company.



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

The **Associazione Amici del Museo del Patrimonio Industriale** was founded in 1997 as a non-profit organization, to reinforce the corporate culture and the deep bond between the **world of production** and the **world of training** through the promotion of the cultural project of the Industrial Heritage Museum of Bologna. In 2005 it became an association recognized by the Emilia-Romagna Region and to date brings together about 80 of the most significant entities in the territory, mainly related to the packaging and engineering sectors, not forgetting the biomedical industry and the wide range of small and medium-sized enterprises.

Strongly supported by industries, entrepreneurs, foundations and trade associations in the industrial area of Bologna, it is a **Club of Excellence** that through collaboration between small and large businesses promotes **development and innovation** in various fields: from manufacturing to services, all the way to education. The Associazione Amici del Museo del Patrimonio Industriale is a highly dynamic association in evolution, constantly increasing the companies that recognize themselves in its bylaws and want to share its ideals and goals.

In addition to supporting the Industrial Heritage Museum, the activities of the Association operate as a service for the local industrial fabric, following two guidelines: **training** and **innovation**.

In collaboration with the Museum, the Istituto Tecnico Aldini Valeriani and the Fondazione Aldini Valeriani, the Association promotes projects for the enhancement of technical culture and development activities related to areas such as applied research and the protection of intellectual property, with the ultimate goal of increasing the competitiveness of companies in the global market.

The Association aims to be a bridge between the world of culture, represented by the Museum, and that of the local enterprise, in order to pass on the vitality of the industrial sector to future generations.

The main objectives of the Association are:

- Supporting the cultural offerings of the Museum, educational planning and expansion of the collections
- Cultivating excellence in doing business and technical skills related to the production activities in our area
- Enhancing the value of Bologna's historical industrial culture and its economic and productive development
- Organizing projects in support of innovation and research
- Promoting educational projects to disseminate technical culture and the revitalization of technical and scientific knowledge



The main activities organized by the Associazione Amici del Museo del Patrimonio Industriale include:

“Tra proprietà intellettuale e sviluppo d’impresa” **(“Between intellectual property and business development”)**

Arrived at its sixth edition in 2012, the "Tra proprietà intellettuale e sviluppo d'impresa" conference was created to discuss and reflect, along with industry experts, on how to make a name for oneself in the international market thanks to proper use of the patent, the only way of protecting intellectual property. In particular, the aim of this conference is to provide some cultural tools related to technological innovation and industrial property in China, fostering the ability to analyze the benefits and risks of entering this market.

Progetto Orientamento Consapevole **(Aware Guidance Project)**

This project is aimed at seventh grade students who are made more aware about technical training and gradually brought closer to the business world. This takes place through laboratory activities and visits to the more important companies in Bologna's industrial cluster. The primary purpose of the initiative is to foster employment growth for the new generations, at the same time addressing the current shortage of skilled technicians.

R&D Days -International Forum on Project Development

This is an event organized to create a link between the main international research centres and local and national companies, presenting them with successful ways of working together in the development of industrial projects. Technological innovations and their practical applications were presented during the various editions of the forum through a series of initiatives involving companies and research centres, new businesses, spin-offs and start-ups.

Research Field Training

“Research Field Training” offers to insert science graduates in applied research projects developed at the facilities that took part in the International Forum on Project Development. The aim of the initiative, which is part of a wider project called "Programma Leonardo" (Leonardo da Vinci Programme), is to develop the knowledge of graduates in science and technology, offering them the prospect of high level post-graduate training.



Glossary

Branch/Agency: these are the two ways in which a multinational company is actively present in a foreign country. A branch is a corporate structure controlled by the parent company, whereas an agency is a third party structure which the company empowers to sell or to buy and overhaul its products.

Breakthrough innovation: innovation that results in a radical departure from the past.

Carbon footprint: the amount of carbon dioxide (CO₂) attributable to a product or organization. The carbon footprint is used to measure the impact that these emissions have on anthropogenic climate change and is expressed in terms of kilograms of CO₂e (CO₂ equivalent).

Co-makership: an organizational model that marks an evolution in the customer-supplier relationship towards a situation of joint liability in the business. In the case of advanced mechanics, the manufacturer (e.g. IMA) works together with the end user from the earliest stages of product conception, design, prototyping and engineering, in a continuous collaboration aimed at achieving maximum satisfaction for the end user.

Confectionery: this is the food industry sector that includes several families of sweets, including cakes, sweets, chocolates, pastries and many others.

Convenience food: prepared foods, mostly pre-cooked and packaged.

Corporate Social Responsibility (CSR): the responsibility of an organization for the impacts of its decisions and activities on society and the environment. Social responsibility is conducted through ethical and transparent behaviour aimed at promoting sustainable development, which also have to take into consideration the protection of health and well-being of employees and of the community, taking into account the expectations of all stakeholders.

Customer service: the service offered to customers before and after the sale. In the latter case, one often talks of after-sales service.

Dairy: this is the food industry sector that includes milk, cheese and dairy products in general.

End user: in certain contexts this just means the customer, but literally it is the entity that uses our machines. In the case of industrial automation, the end user intervenes with specific needs at an early stage of product design ("co-design") and these needs are taken into account during the various stages of manufacture of the machine. It follows that all of the people involved in creating the product identified as the "customer to satisfy" is not so much the direct customer, which may be IMA or a sub-contractor, but the end user.



Governance: a set of principles, methods and procedures for the management and governance of a company.

Know-how: theoretical and practical knowledge of a specific area. Some speak of "know-how" as an intangible quality that accumulates within companies or in relationships between similar companies in a given territory (for example, the know-how of industrial automation in Emilia-Romagna is unique in the world).

Network: net, cross-linked. By extension, all organizational or communication systems that can be represented by the idea of a net.

Nutraceutical: a neologism that combines "nutritional" and "pharmaceutical" in a single word. It indicates those products of a nutritional nature that give the body minerals or vitamins treated and packaged with the same technologies and formats as pharmaceutical products. Nutraceutical products are often sold in pharmacies in the same way as OTC drugs, those that do not need a medical prescription.

Premium price: this is a selling price that includes an additional margin thanks to one or more characteristics that are exclusive to the product. These features, which are mainly qualitative, are often summed up in their territorial origin or brand name (such as Faenza ceramics, a German car or an IMA blister packaging machine).

Second hand: a machine that has already been used, normally overhauled and then resold.

Solid dose: in pharmaceutical packaging, it indicates those solid products, mostly in the form of granules, which are dosed in capsules or bottles, or dosed and compressed. By extension, also the equipment that performs these functions.

Stakeholder: an individual or group that has an interest in any of the decisions or activities of an organization.

Sustainability: in environmental and economic sciences, the type of development that is able to ensure the fulfilment of the present generation's needs without compromising the ability of future generations to satisfy their own. For a company that involves the use of an index or a set of indices which establishes the relationship between the organization's actions in its environment and the environment's ability to absorb such actions without being altered or impoverished. It is a term that covers not only ecology, but also the related economic and social issues.

Toiletries: bathroom products.



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