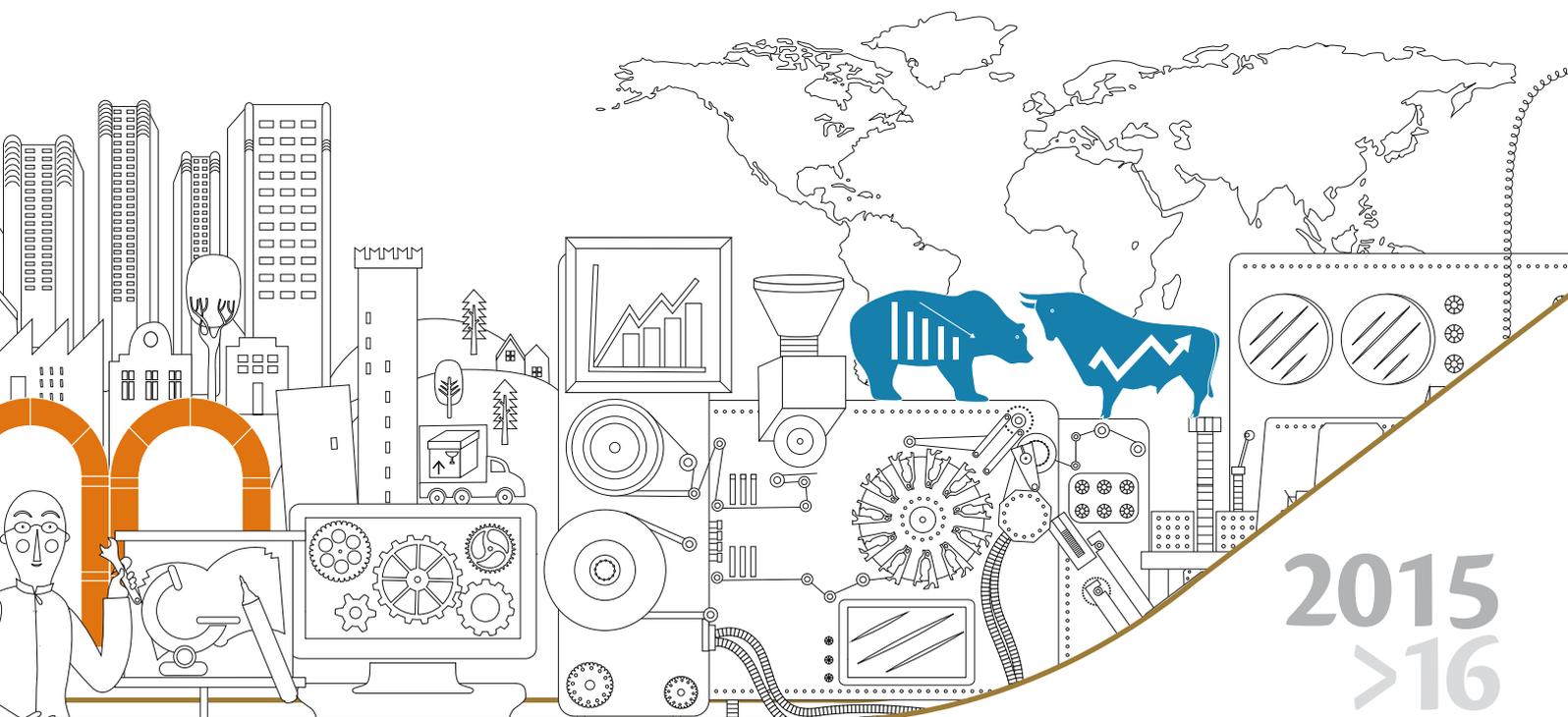




Sustainability Report



2015
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Sustainability Report





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Letter from the Chairman



Reading guide



IMA is again publishing a Sustainability Report this year, for the fourth year in a row, applying the principles and requirements of the Global Reporting Initiative reporting standard (GRI version G4) according to the Core approach.

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

Scope

The reporting scope includes the IMA Group's Italian companies and information that has been updated to 31 December 2015 (with prior year comparatives).

A certain amount of information 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, as well as certain data updated to include the first few months of 2016 regarding governance and organization. All changes to the reporting scope are explained in the text.

IMA's commitment is to extend the approach to all geographical areas of the Group; this year, 14 foreign production companies have been involved by means of an internal survey designed to measure the main actions be-

ing applied in terms of sustainability and the related performances. The results of the survey are presented in this Sustainability Report (see Chapter "IMA's foreign production companies"), with the aim of extending and integrating sustainability reporting more and more throughout the Group.

Methodology

In accordance with the principles of the GRI, this Report includes activities that are considered material, i.e. key topics that are significant enough to be accounted for as they reflect the economic, environmental and social impacts of the IMA Group or because they influence the decisions taken by stakeholders. For the first time, the analysis of IMA's key issues also includes assessments of the Group's foreign companies.

Moreover, the information provided in the 2015 Sustainability Report reflects the processes, methods of management and results achieved according to the issues that were considered material as a result of the various assessments that were carried out.

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



1

WORLD LEADER

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

1961
Year of
Foundation

MISSION

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

IMA was born in the heart of the **Packaging Valley**, the **advanced mechanics and industrial automation** cluster in Emilia-Romagna region (Italy) and now has a presence in other production sites around the world

Over
5,000

employees,
including about **2,400** in Italy

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

Extensive sales network covering
about 80 countries

38
manufacturing
plants

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

80
countries

IMA's identity



Who we are

The IMA Group in brief

- **Consolidated sales** in 2015: **1.1 billion euros** (exports: 90%)
- **Share capital** (fully paid-in): **20.4 million euros**
- **Employees: over 5,000**, with around 2,400 in Italy
- **38 manufacturing plants** in Italy, Germany, France, Switzerland, Spain, UK, USA, India, Malaysia, China and Argentina
- Extensive sales network covering about **80 countries**

Established in 1961, IMA is world leader in the design and manufacture of automatic machines for the processing and packaging of pharmaceuticals, cosmetics, food, tea and coffee. A leadership gained through significant investments in research and development, constant and constructive dialogue with end users in the various sectors, and the Group's ability to internationalise and conquer new markets. In fact, steady growth is one of the main features of its history. The Group ended **2015** with **consolidated revenues of over one billion**, more precisely 1,109.5 million euros (+29.8% on 2014) of which **90% is for export**.

The Group chaired by **Alberto Vacchi** has over **5,000 employees**, with **2,400 in Italy** and more than **2,600** at the production sites located in **Europe, America and Asia**; it is present in over **80 countries**, supported by a network consisting of **29 branches offering sale and post-sale services** in Italy, France, Switzerland, United Kingdom, Germany, Austria, Spain, Poland, Israel, Russia, USA, India, China, Malaysia, Thailand and Brazil, representative offices in Central and Eastern Europe and more than 50 agencies.

The Group has **38 manufacturing plants in Italy, Germany, France, Switzerland, Spain, UK, USA, India, Malaysia, China and Argentina.**

IMA S.p.A. has been listed on the Milan Stock Exchange since 1995 and in 2001 it joined the STAR segment.

The IMA Group holds 1,400 patents and patent applications pending throughout the world; it has more than 500 engineers involved in product innovation and has launched several new models in recent years.

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



IMA Group's main business lines

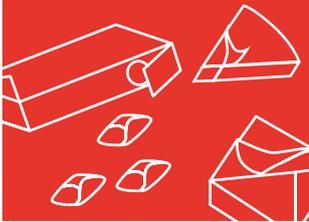
PHARMA

PROCESSING AND
PACKAGING SOLUTIONS FOR
PHARMACEUTICAL INDUSTRIES



BRAND

IMA ACTIVE
IMA LIFE
IMA SAFE



FOOD & DAIRY

PACKAGING SOLUTIONS
FOR FOOD INDUSTRIES



BRAND

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

TEA, COFFEE & BEVERAGE

PACKAGING SOLUTIONS
FOR TEA, COFFEE AND
BEVERAGE INDUSTRIES



BRAND

IMA TEA & HERBS
GIMA
ILAPAK
FILLSHAPE



COSMETICS & TOILETRIES

PACKAGING SOLUTIONS
FOR HEALTHCARE
INDUSTRIES

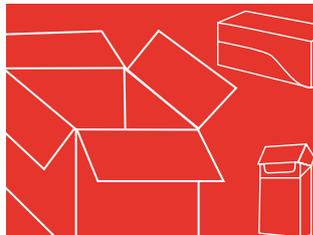


BRAND

IMA LIFE
IMA SAFE
IMA SAFE COMADIS
ILAPAK
FILLSHAPE
TEKNOWEB

SPECIAL MARKETS

PACKAGING SOLUTIONS FOR
OTHER MARKETS



BRAND

IMA BFB
GIMA
BUSINESS MEDTECH
TELEROBOT
GIMA TT
R.I.

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



Mission and Values

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

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

IMA's vision and mission

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

IMA keeps in constant touch with producers that are its customers 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 reduce costs, while complying 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. These will improve the quality of life on the planet in the future, thanks to food waste reduction, easier access to increasingly effective drugs and greater respect for the natural environment.

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

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

Legality: the Group complies with the laws and regulations in the countries in which it operates, also through third parties, and rejects all forms of national and transnational crime.

Integrity: honesty, fairness and transparency guide IMA's behaviour in all dealings with its stakeholders. In relations with third parties, IMA avoids providing misleading information and adopting behaviour that takes advantage of the others' weaknesses.

Dignity: respect for the individual and the rejection of any form of abuse and exploitation are core values. In hierarchical relations, authority must be exercised fairly and all types of behaviour that could favour or harm the individual worker are prohibited.



Equality: IMA promotes equal opportunities and the protection and enhancement of human resources, wherever they operate. Discrimination based on political or union allegiance, religion, race, nationality, age, sex, sexual orientation, health or whatever is not permitted.

Loyalty: entrepreneurship and proper competition to ensure a fair competitive confrontation on the market. In fact, competition stimulates efficiency, courage to invest and the ability to innovate, for the benefit of customers and end-users.

Sustainability: IMA is committed to reducing the environmental impact of its production activities and of the technologies that it produces in compliance with current legislation, taking into account the latest developments in scientific research and the state of the art in its specific field.

Sociability: IMA promotes charitable activities that encourage social inclusion, health prevention, the protection of the most vulnerable, better access to culture and an overall development of the social environment in the territories where the Company operates and, when possible, outside of them as well.

Code of Ethics

It represents the Company's "Constitutional Charter", which sets out the ethical and social responsibility of all participants in IMA's entrepreneurial organization. It is an important instrument for implementing ethics both inside the company, ensuring fair and effective management of transactions and human relations, and outside the company, maintaining its reputation.

To ensure that all employees share the ethical principles of the code and observe its recommendations, the full Code of Ethics is handed out to all new employees along with their employment contract. IMA also sends the Code of Ethics to its suppliers with an invitation to base their trade relations to the highest ethical standards.



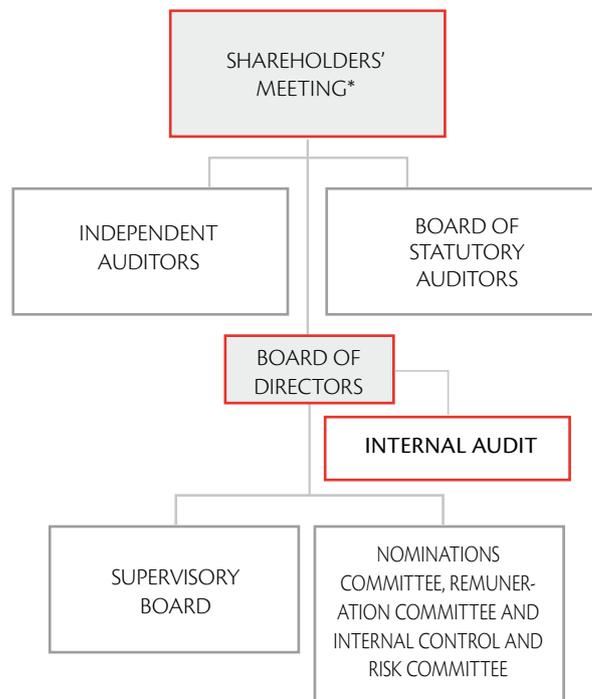
Corporate Governance and Organization

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

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

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

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



*Significant shareholdings: SO.F.I.M.A. Società Finanziaria Macchine Automatiche S.p.A. (57.3% of the share capital)



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

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

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

The current **Board of Directors** consists of:

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

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

The new **Board of Statutory Auditors**, appointed by the IMA's Shareholders' Meeting of April 27, 2016, will remain in office until approval of the financial statements as of December 31, 2018.

The rules on **gender quotas** were applied on the occa-

sion of the renewal of the Board of Statutory Auditors: the members represented in the new Board of Statutory Auditors of IMA S.p.A. meet these provisions.

The present **Board of Statutory Auditors** consists of:

Acting Auditors

- Francesco Schiavone Panni, *Chairman - Auditor*
- Roberta De Simone, *Auditor*
- Riccardo Pinza, *Lawyer*

Alternate Auditors

- Elena Spagnol, *Auditor*
- Giovanna Bolognese, *Auditor*
- Federico Ferracini, *Auditor*

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

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

Head of Internal Audit

Claudio Rizzi

Manager responsible for preparing financial reports

Sergio Marzo

The **Supervisory Board** comprises:

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



The Supervisory Board supervises the operation, effectiveness and compliance with the **Organizational Model for corporate crime prevention**, with the aim to prevent the crimes from which the administrative liability of IMA S.p.A. may derive, pursuant to the provisions contained in Legislative Decree 231/2001 (such as corruption, false communication, exploitation of persons, etc.).

To complete the Model, IMA S.p.A. provides a **Code of Ethics**, which contains the commitments and ethical responsibilities of the directors, employees and consultants in conducting business and corporate activities and a specific channel reserved to prevent or report any behaviour contrary to the Code of Ethics.

In 2015 there were no cases of disputes opened as a result of reports relating to matters governed by the Code of Ethics and the Model 231.

Our **Independent Auditors** are EY S.p.A.

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

COURSES IN ETHICS AND ADMINISTRATIVE RESPONSIBILITY

In the context of ethical and social responsibility, IMA S.p.A. and the other Group companies have adopted (or are in the process of adopting) the **Organization, Management and Control Model** in accordance with **Legislative Decree 231/2001**, appointing their own Supervisory Board, which is responsible for carrying out the specific control activity in an appropriate way to prevent the commission of the types of offences that would be considered a source of liability for the Company. Starting from the early stages of adoption of the model, IMA provided training for all of the top managers and officers that would be most involved (managing directors, senior managers, heads of department): a total of 315 people between 2008 and 2012.

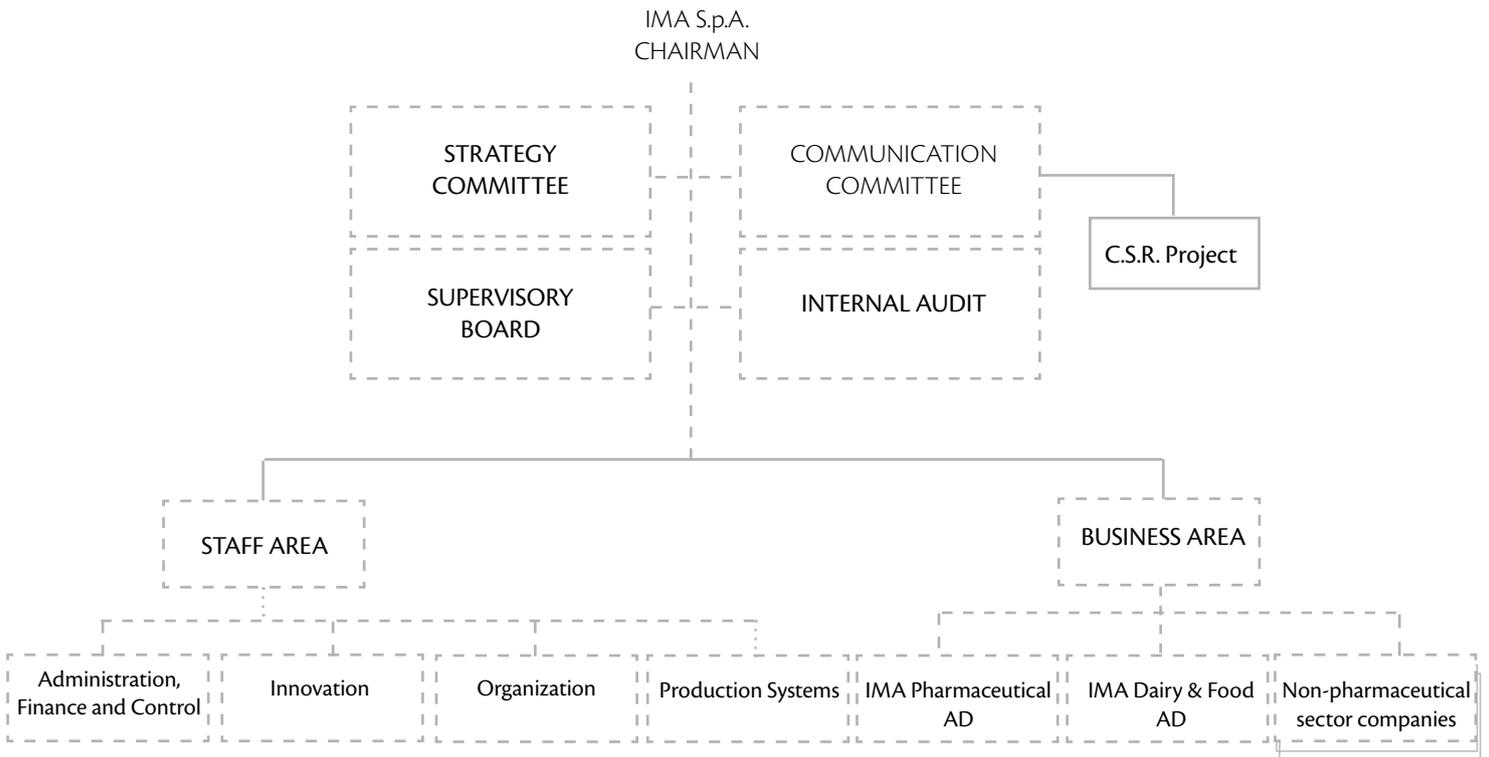
Subsequently, IMA chose to spread the content of Legislative Decree 231/2001 more widely by using e-learning methods and, from September 2013 to June 2015, involving around 1,100 employees belonging to Human Resources, Purchases & Sales, Administration, General Environment and Safety, IT and Quality & Compliance.



Organizational structure

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

basis of the production and commercial divisions that characterise the business. The general organization chart of IMA S.p.A. at June 2016 is as follows:



Risk management and certifications

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

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

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

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

The following certification projects are also being carried out with a 2016-2017 time horizon:

- extension of ISO 9001 certification to Ilapak;
- extension of OHSAS 18001 certification to Gima and Corazza;
- obtaining ISO 14001 certification for IMA S.p.A.

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

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



In the heart of the Cluster

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

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

The Packaging Valley: when Italian industry is a world leader.

The case of Bologna’s automatic machine cluster

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

The largest manufacturers of automatic machines for packing and packaging are Italian and German, representing around 54% of international trade. In particular, the Italian industry has a **high propensity to export** (80.7% of its turnover is billed abroad), whereas Japan and the USA produce mainly for their domestic markets.

Much of Italy’s growing strength in non-electronic mechanical engineering originates from specialized local clusters. The packaging machinery sector in Italy has 300 industrial-sized companies and an equivalent number of smaller firms. In 2015 the sector posted sales of 6.2 billion euros, in line with the previous year (-0.4%). Exports amounted to 5 billion euros, with a slight decline of 0.9%, whereas the Italian market posted growth of +1.9% to 1.2 billion euros.



36.2% of these companies are based in Emilia-Romagna, home of **Italy's most important production cluster for automatic packaging machines** (the second being in Lombardy). The heart of the cluster is located in the province of Bologna, but it also extends about 100 km into the provinces of Modena, Reggio Emilia and Parma.

According to **UCIMA** (Unione Costruttori Italiani Macchine Automatiche per il Confezionamento e l'Imballaggio – www.ucima.it), **Emilia-Romagna** generates **62.8% of the national turnover** in this sector, representing approximately 3.9 billion euros in 2015, 54.7% of employees and 36.2% of companies. Taking these four provinces of Emilia-Romagna into consideration, in 2015 there were 213 “pure” manufacturing companies of automatic packaging machines. The turnover generated by these companies in 2015 came to a total of around 3.9 billion euros. They employed 15,266 people. If we only consider the province of Bologna, there were 76 companies active in the field of automatic machines during that period, with a total turnover of approximately 2.2 billion euros and 9,500 employees.

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

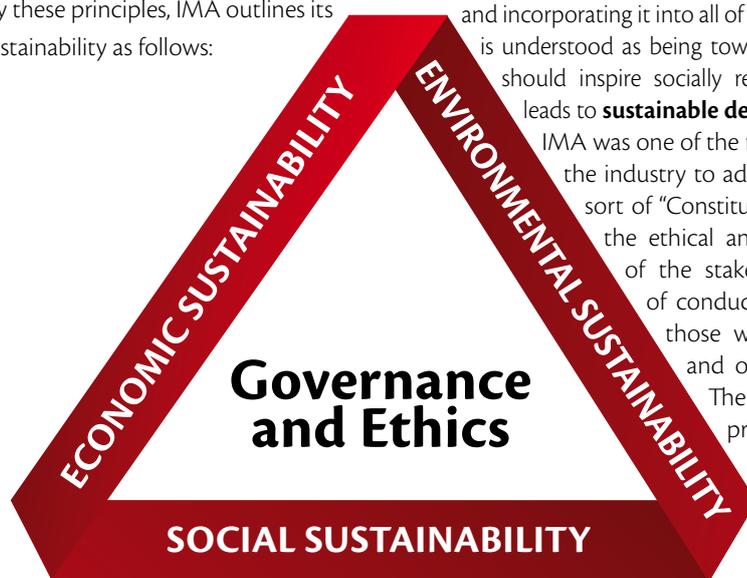
Packaging Valley's success is due to this great tradition of mechanical engineering, high technology and extreme flexibility of automatic machine manufacturers, who can count on a wide network of highly specialized suppliers, all involved in a continuous exchange of know-how. In fact, the automatic machine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

In this context, **the ability to create innovation** is no less than pivotal in order to remain competitive. This innovation comes above all from research, but also from close cooperation with the end-users, according to a philosophy of **comakership**, in order to respond to very diverse needs, including the need to offer the consumer a high degree of safety and machines that are more and more ergonomic and easy to use.



IMA's approach to sustainability

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



Governance and Ethics

Underlying IMA's approach to sustainability there is the concept of **transparent Governance** with which the Group intends to manage the impact of its decisions and activities with a sense of responsibility, gradually introducing Corporate Social Responsibility to the entire organization and incorporating it into all of its dealings. Transparency is understood as being towards all stakeholders and should inspire socially responsible conduct that leads to **sustainable development**.

IMA was one of the first Italian companies in the industry to adopt a **Code of Ethics**, a sort of "Constitutional Charter" defining the ethical and social responsibilities of the stakeholders and the rules of conduct to be followed by all those who work in the name and on behalf of the Group.

The ability to apply the principles of the Code of Ethics is recognized by IMA as a fundamental value on which to base its corporate mission.



Economic sustainability

IMA's strategy aims to create profit to remunerate its shareholders, but also **economic value for all of its stakeholders**. This is based on the primary objective of IMA's business: **end-user satisfaction**. Through continuous investment in technology and constant improvement of the quality and reliability of its products and by 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, thus achieving a competitive advantage. In its M&A decisions as well, IMA also considers the aspects relating to the principles of economic sustainability of the businesses that it intends to acquire.

Social sustainability

IMA is committed to promoting a **culture of quality** to ensure products and services of the highest possible level and end-users' satisfaction. IMA also assumes the responsibility of protecting the health and safety of the people working for the Group, in compliance with the regulations and in collaboration with the requests of labour organizations: **welfare, professional development and quality of the work environment** are values that go beyond compliance with current legislation and that IMA ensures through training, monitoring systems, prevention activities and continuous investment. The Group ensures continuous dissemination of information and the adoption of a responsible and transparent approach to Corporate Governance.

IMA's social commitment is based on a fundamental concept: the responsibility that an industry has towards society and the world is an expression of top management's decisions, as well as an element of identity for all those who work for the enterprise. That is why IMA involves its employees directly in programmes and initiatives of corporate citizenship and promotes the principles of Corporate Social Responsibility internally.

The territory, understood as the economic and social fabric in which IMA was born and raised, is a strategic element for the Group's activities. Between territory and enterprise there is in fact a constant exchange of knowledge, experience and wealth (both tangible and intangible), that makes the relationship both inseparable and interdependent. IMA's success hinges on the welfare of the community in which it operates.

The Group applies the same philosophy at the various plants located in other geographical areas, educating and creating greater awareness of the issues at the companies that the Group has acquired, in order to achieve the same level of awareness as at the plants founded by IMA.

Environmental sustainability

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



The stages of sustainability at IMA

In recent years, IMA has launched a process of reflection within the firm to tracing a path that the company can take in the medium term towards a position of social re-

sponsibility able to support our competitiveness as an enterprise. So far, IMA's path has gone through the following stages:

2010

○ Participation in the creation of FID (Fare Impresa in Dozza / Doing Business in Dozza), a concrete programme of Solidarity Sourcing.

2011

○ IMA celebrates its 50th anniversary. For the occasion, IMA promotes and finances Social Responsibility projects proposed by employees, supporting them financially for three years.

Participation in the setting up of E.R.-AMIAT (Emilia-Romagna Advanced Mechanics and Industrial Automation Technology).

2012

○ Membership of Impronta Etica.

Membership of SAVE FOOD, a project in partnership with FAO.

Membership of the Carbon Disclosure Project; start calculating IMA's own carbon footprint.

IMA supports the areas of the Emilia region affected by the earthquake in May 2012.

Publication of the first Profile of a Sustainable Company.

2013

○ Implementation of a common training programme for IMA's employees on the issues of business ethics and the Code of Ethics (Organisation and Control Model pursuant to Legislative Decree 231/01).

Launch of the video wall during trade exhibitions: the technology allows visitors to participate in a virtual automation experience, while reducing the environmental impact of using actual machines.

2015

○ Electricity purchased from certified renewable sources.

The process has been initiated for ISO 14001 certification of the Environmental Management System.

Collaboration with the Bocconi University, Milan (Master in Green Management, Energy and Corporate Social Responsibility).

The CSR Project Unit integrates the Communications Committee in a staff role for the Presidency.

Launch of the csr.ima.it website.

2014

○ Participation in Supply Chain sustainability assessments (e.g. Ecovadis and Sedex).

Update and dissemination of the new Code of Ethics.

Publication of the first Sustainability Report, according to the Global Reporting Initiative standards.

Obtaining certification for the Safety Management System (OHSAS 18001).

IMA is nominated Best Newcomer 2014 in the CDP Programme.

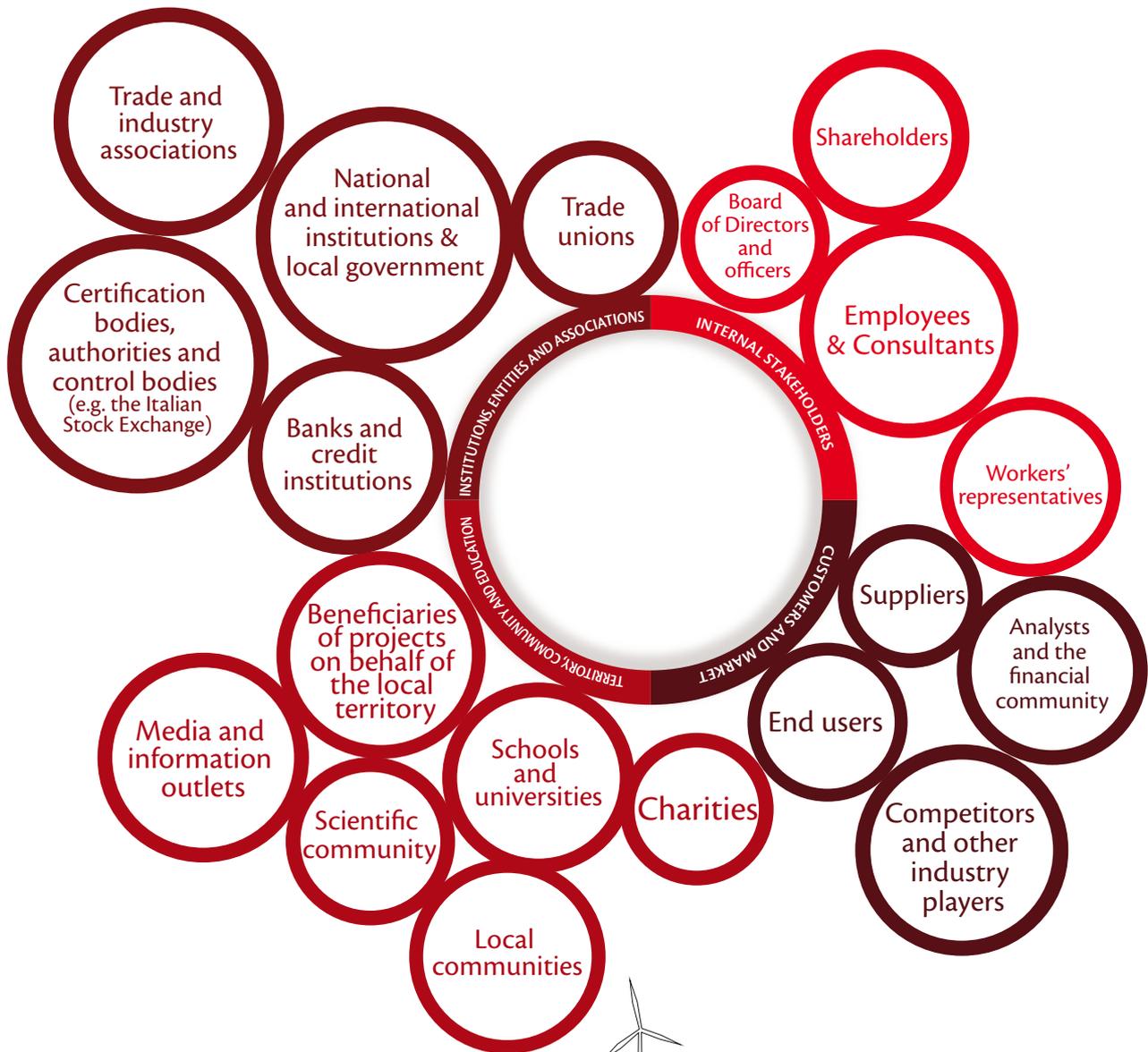
Launch of the Group's new payroll: "Sustain Ability".



To share the approach to sustainability with all its stakeholders, IMA has launched the website dedicated to its **Corporate Social Responsibility** programme. The **csr.ima.it** website outlines the initiatives promoted and supported by the Group in aid of the territory's well-being, a commitment that goes beyond the normal social role

of an enterprise. The website provides information, highlights, multimedia materials related to IMA initiatives in the social and environmental field. It is also possible to download documents such as the Sustainability Report, the Code of Ethics and Certifications.

IMA's Stakeholders





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 Report has been created to provide all stakeholders with an **overview of IMA's performance in terms of sustainability**, starting 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. IMA's focus on sustainability issues reflects on its customers, who are in direct contact with the end-users, and creates a good reputation for our shareholders who have invested in a responsible company.

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.

Listening to stakeholders and analysing materiality

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. In this way, IMA has identified the issues that its stakeholders consider most important in terms of social responsibility and sustainability.

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

STAKEHOLDER ENGAGEMENT

FIELD	STAKEHOLDER	LISTENING TOOLS	ISSUES
LABOUR AND HUMAN RIGHTS	Human Resources Trade unions Suppliers and their workers	Industrial relations Reports by employees and direct comparison Internal communication	<ul style="list-style-type: none"> • Respect for human rights (child labour; gender, religious, ethnic discrimination, etc.) • Health and safety in the workplace • Compliance with contract terms • Protection from molestation, including sexual harassment • Promotion of equal opportunities • Respect for individual cultural and religious preferences • Presence and dissemination of the Code of Ethics • Professional development and training • Promotion of merit



COMMUNITY TERRITORY

ENVIRONMENT

Community Schools
University

Conventions, agreements, work tables

- Relationship with schools, universities and promotion of youth employment
- Adherence to international codes on transparency and corporate governance, such as the Sarbanes-Oxley Act in the U.S.A.

Community Institutions

Continuous institutional comparisons

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

ECOVADIS: PLATFORM THAT MONITORS SUSTAINABILITY ALONG THE SUPPLY CHAIN

On the request of some of its customers, IMA has joined the **Ecovadis** platform which monitors sustainability along the supply chain. In 2015, IMA was successfully assessed by Ecovadis, which awarded IMA a "Silver Recognition Level", a result that puts IMA within the top 30% of the companies analysed by Ecovadis in 2015.

The materiality analysis

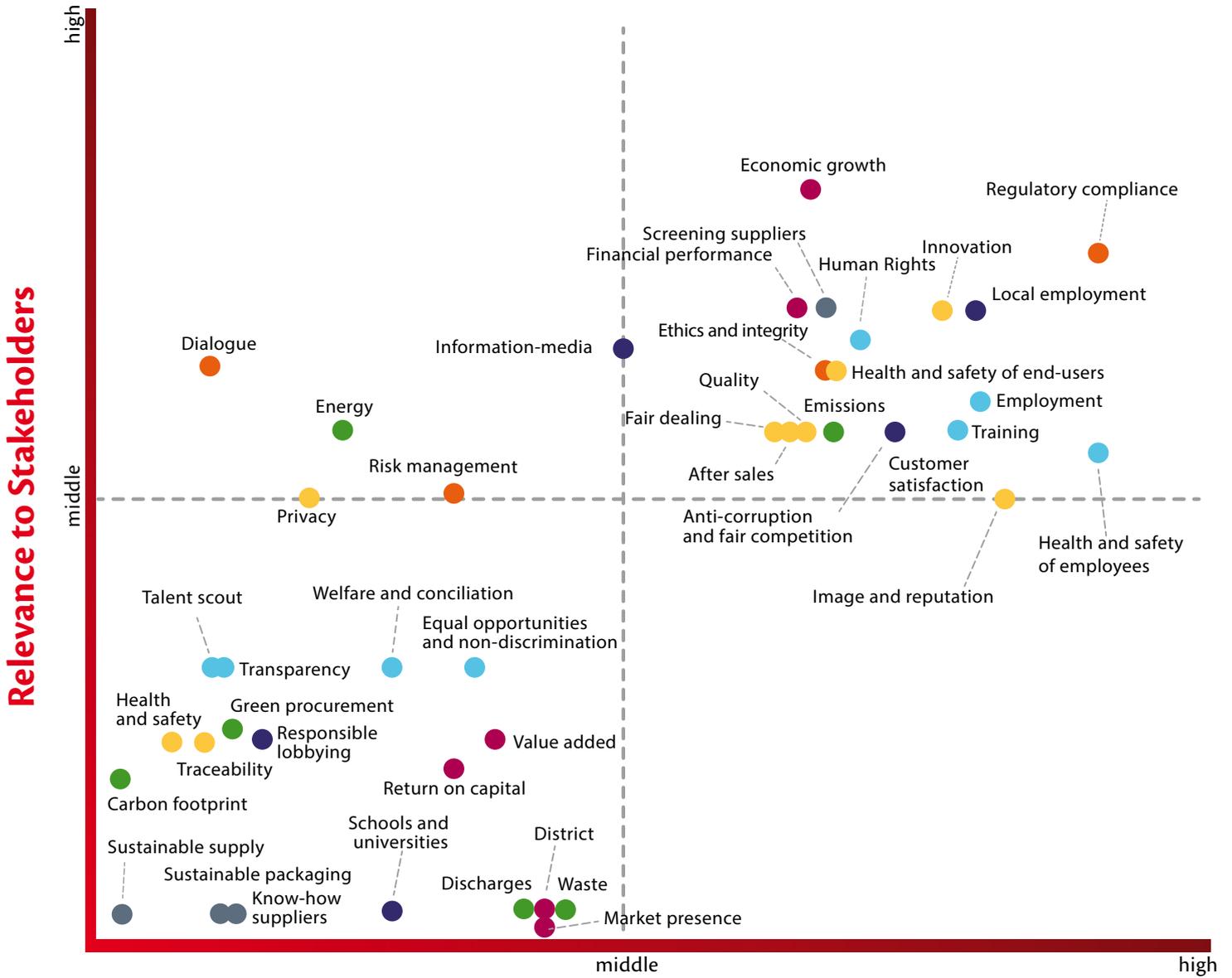
IMA has identified the most relevant and material topics (defining as "material" all issues that influence the decisions, actions and performance of an organization and/or its stakeholders) and the ongoing activities of listening and dialogue. **The materiality analysis** aims at identifying relevant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

The following chart shows a summary representation of IMA's materiality analysis. The main social responsibility issues are represented by a matrix, using as variables the significant economic, environmental and social impacts for IMA, as well as their influence on stakeholders' decisions. The materiality analysis has been updated to include not just the assessments of IMA S.p.A.'s working group, but also the evaluation of a representative panel of foreign Group companies. For each sustainability issue, scores were attributed in order to assess the importance and priority that IMA should attribute to each one.



THE MATERIALITY ANALYSIS

- Governance
- Economic
- Product sustainability
- Working practices
- Environment
- Supply Chain
- Institutions and community



Relevance to IMA



69.92
mn €

Group's net profit for the
year: +35.6% on 2014



SHARE CAPITAL
(fully paid-in)

20.4 mn €

Consolidated sales
of 2015 exceeded
1 billion euros:



mn €
(+29.8% with respect to 2014)

30%

of sales comes from
AFTER MARKET SALES



Order book at the end of 2015:
+23.6% with respect to 2014



invested in R&D
at Group level

EXPORT:

90%
of sales



Over 1,400 patents and
patent applications
pending throughout the world

494.9
mn €

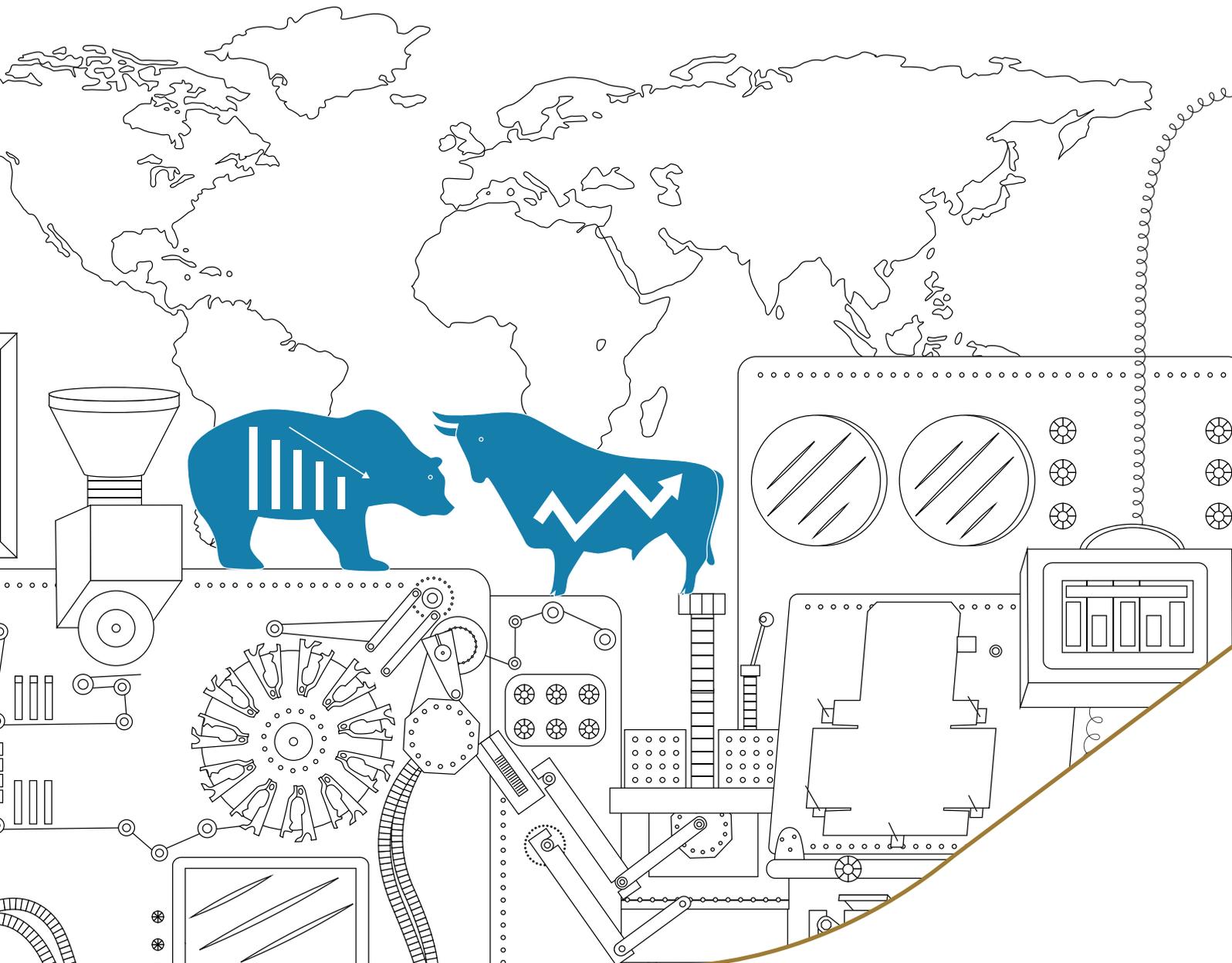
of economic wealth
produced*

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



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

Economic Sustainability



Economic and financial results



"The year has closed with outstanding results in all business areas, confirming the Group's leadership in the pharmaceutical industry and the ability to expand its presence in strategic sectors with good growth prospects, such as the Food business. We are very satisfied with the results achieved in 2015: indeed we have exceeded the one billion mark in revenues and raised our profits, while, as always, maintaining a strong focus on the needs of our customers and investors. These superb results have been achieved thanks to our Group's strong commitment to developing more and more innovative solutions: the Leonardo Italian Quality Award 2015 proves the excellence of our technology and our ability to export it all over the world. We are looking forward to the current year with confidence thanks to an order book that at the end of 2015 was 23.6% up on last year, with orders taken in the first two months of 2016 also rising. Our growth objective will also be pursued through acquisitions: we have the resources to continue our M&A activities. The significant amount of cash flow generated also in 2015 allows us to make both routine and strategic investments, increasing the value of the Group: we will be proposing a higher dividend than last year to the next Shareholders' Meeting, to reward shareholders that had confidence in our balanced and sustainable growth potential."*

Alberto Vacchi

Chairman of IMA

Press release of March 14, 2016

**The Meeting of April 27, 2016 approved the distribution of a dividend of 1.40 euros per share, an increase over the previous year (a dividend of 1.35 euro per share approved by the Shareholders' Meeting of April 28, 2015).*

The IMA Group closed 2015 with **consolidated revenues of over one billion euros**, equal to 1,109.5 million euros, an increase of 29.8% compared with 854.6 million at December 31, 2014. **Exports** accounted for 90%, with excellent results in the United States, Europe and in the Middle East. The Italian market also showed positive figures.

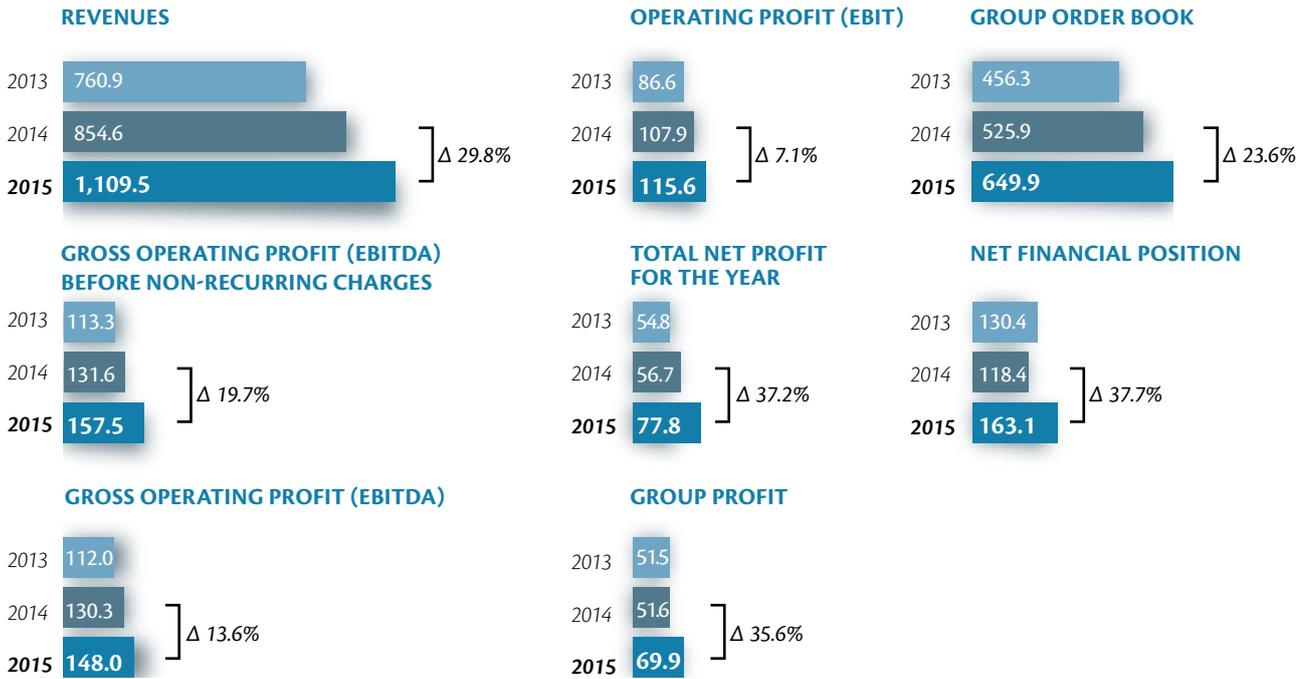
There has been a significant growth in **gross operating profit (EBITDA) before non-recurring charges**, which rose to 157.5 million euros (+19.7% compared with 131.6 million at December 31, 2014), in **gross operating profit (EBITDA)**, which rose to 148 million euros (+13.6% compared with 130.3 million at December 31, 2014). **Operating profit (EBIT)** also rose to 115.6 million euros (+7.1% compared with 107.9 million in 2014), the **net profit for the year** went up to 77.8 million euros (+37.2% compared with 56.7 million in 2014) and the **Group net profit** reached 69.9 million euros (+35.5% compared with 51.6 million in 2014). The **Group order book** at December 31, 2015 comes to 649.9 million euros, an increase of 23.6% compared with 525.9 million at December 31, 2014.

The IMA Group closed 2015 with growing results in all business areas, thanks to the positive trend in sales of automatic machines to the Group's key sectors (**pharmaceutical and food**) and to the contribution of the newly acquired **Dairy & Food** and **Teknoweb** businesses, consolidated since March 2015.

The IMA Group **net debt** amounts to 163.1 million euros at December 31, 2015 (118.4 million euros at December 31, 2014). This figure has increased because of the outlay of 68.1 million euros for the acquisition of the Dairy & Food and Teknoweb businesses and includes dividends paid during 2015, which overall amounted to 53.5 million euros.



CONSOLIDATED RESULTS AT DECEMBER 31, 2015 (amounts stated in millions of €)



The upward trend in IMA' stock continues

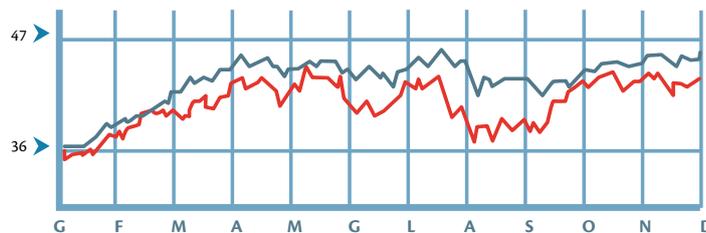
IMA's stock ended 2015 with a **30.5%** increase, from Euro 36 at the beginning of the year to around Euro 47 at December 31, 2015. The market has shown appreciation for the Company's external growth strategy. During the year, the Group consolidated its acquisition of **Benhil, Erca, Gasti, Hamba and Hassia**, which now form part of **IMA Dairy & Food**, leaders in the design, production and marketing of machines, lines and systems for packaging products for the Food and, in particular, for the Dairy industry with plants in Germany, France, Spain and India. 2015 also saw the acquisition of **Teknoweb Converting**, with head office near Cremona, which operates in the converting sector, producing and selling machines for the production of wet wipes.

In 2015, the IMA stock turned in a rise with significant trading volumes, continuing the rally that started in 2013. According to analysts following the stock, this rally is motivated by the fact that the Company has good fundamentals and a positive trend in its core businesses (pharmaceuticals and food) in almost all geographical areas, with the proportion of exports reaching 90% in 2015. The market has rewarded the Group's visibility thanks to an excellent order book. IMA also has a very good level of cash generation with which to reward shareholders and to strengthen a capital structure that is already strong, allowing the Group to pursue a **policy of sustainable expansion**. A series of factors that have supported the share's growth that continued in 2016 as well.



IMA'S STOCK PERFORMANCE FROM JANUARY 1, 2015 TO DECEMBER 31, 2015 AND COMPARISON WITH THE STAR SEGMENT (amount stated in €)

— FTSE IT Star
— IMA



Graph by VWD Italy

IMA: A HISTORY OF INTERNAL AND EXTERNAL GROWTH

Group acquisitions continued in 2016

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

The '70s saw IMA enter the field of packaging machines for **pharmaceutical products**, with the launch of a machine for production process of blister. In those years, IMA began to evolve from a small business into a dynamic and innovative multinational Group. The goal of business growth was constantly pursued both internally and externally through acquisitions and alliances.

Listing on the Milan Stock Exchange in 1995 triggered off a number of operations in Italy and abroad. The acquisitions made over the last ten years have involved the pharmaceutical sector and, in particular, the **food** industry. The acquisition of **Benhil, Erca, Gasti, Hamba** and **Hassia**, which now form part of **IMA Dairy & Food**, was the most important deal in the Group's history. With this acquisition, IMA has taken a further step towards the future. The products made by the five companies acquired, which are complementary to the Group's presence in the food sector, put IMA among the most important leading groups in the field of food packaging worldwide, alongside IMA's long-standing leadership in the pharmaceutical industry.

2015 also saw the acquisition of **Teknoweb Converting** based near Cremona, which operates in the converting sector, producing and selling machines for the production of wet wipes. This transaction will make it possible to

generate significant production and marketing synergies with the ILAPAK Group, which produces machines for primary packaging using flexible material.

The external growth continued in 2016 with the acquisition of the companies **Komax Systems LCF SA** and **Komax Systems Rockford Inc.** and of 76% **Komax Systems Malaysia's** capital. The three companies (**the Komax Group Medtech Business**) are leaders in the design, production and commercialisation of machines for assembling medical products for self-medication, such as inhalers, syringes and insulin injection systems. In the first months of 2016, we also acquired **Telerobot**, with operations based in Alessandria. The company is market leader in machines for assembling plastics in the field of caps and closures. These acquisitions represent a significant strengthening of the IMA Group in the **Automation** industry understood as automatic assembly platforms, in a market that is expected to see strong growth over the coming years. This in addition to the commercial and manufacturing synergies expected from integrating these companies into the commercial network and subcontracting system of the IMA Group.

In support of **organic growth**, IMA has continued to invest in Research & Development to meet the growing needs of a clientele made up of sector leaders, requiring increasingly intelligent and customised machines and production systems. To offer the best, IMA does not look for low costs in the global market, but it has created a network for its suppliers, implementing decisions based on the quality and reliability of all players in the supply chain. In an increasingly competitive global market, IMA is proceeding in its policy of sustainable growth based on the enhancement of leading market brands. The industrial DNA of the IMA Group encourages its participants to seek constant improvement, which has a virtuous effect on the dynamics that regulate internal growth.



Communication with the financial community

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

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

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

Press releases (issued at the time of Board Meetings, 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. IMA has been using the 1INFO system (www.1info.it) for the storage of regulated information. It is a centralized system required by the Transparency Directive through which issuers can deposit regulated information for disclosure in accordance with the regulations.

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

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

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

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

ECONOMIC AND FINANCIAL COMMUNICATION

In 2015, IMA issued around 40 press releases with an average of one every 8 days.



Direct economic value generated and distributed

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

Value Added reflects the IMA Group's ability to generate wealth during the reference period, for the benefit of some of the main stakeholders, in accordance with the cost efficiency of operations and the expectations of the stakeholders: in 2015, this value was **494.9 million euros** (+28.8% compared with 2014).

DETERMINATION OF VALUE ADDED (in thousands of € at consolidated level)	2013	2014	2015
A) Value of production (Sales revenues, Change in inventories of products and raw materials, Other revenues)	782,174	871,925	1,124,032
B) Production costs (Costs for raw materials, Services, Leaseholds, Other operating costs, Writedowns, Other provisions)	-452,184	-483,116	-641,343
Gross core value added (=A-B)	329,990	388,809	482,689
C) Net financial income and expense (Proventi e oneri finanziari)	1,198	-4,605	12,174
D) Net non-recurring items	5,912	0	0
E) TOTAL GROSS VALUE ADDED (=A-B+C+D)	337,100	384,204	494,863



DISTRIBUTION OF TOTAL CONSOLIDATED GROSS VALUE ADDED

(in thousands of € at consolidated level)

	2013	2014	2015
A) Remuneration of Personnel	220,633	254,652	329,859
Personnel costs	220,227	254,207	329,452
Fees for Statutory Auditors and Supervisory Board	406	445	407
B) Remuneration of the Public Administration	31,940	36,090	40,145
Income taxes for the year	30,097	34,044	37,256
Other taxes and dues	1,843	2,046	2,889
C) Remuneration of Lenders	8,858	12,515	12,700
Interest expense on bank payables	8,858	12,515	12,700
D) Remuneration of Shareholders	54,796	56,748	77,836
Profit pertaining to the Group	51,540	51,562	69,915
Profit pertaining to minority interests	3,256	5,186	7,921
E) Remuneration of the Corporate System	19,189	22,414	32,438
Amortization & depreciation	19,189	22,414	32,438
F) Contributions to the Community	1,684	1,783	1,885
Donations to institutions and associations (social utility charges)	1,325	1,414	1,521
Membership fees	359	369	364
TOTAL GROSS VALUE ADDED	337,100	384,202	494,863

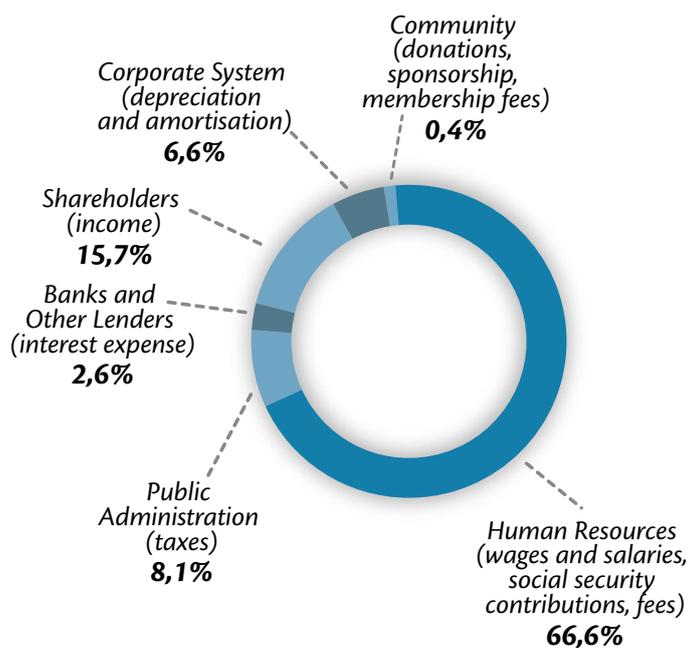
The calculation and distribution of Value Added express, in monetary terms, the relationship between the Company and the socio-economic system with which it interacts, with particular reference to certain key stakeholders:

- **Personnel:** remuneration of employees
- **Public Administration:** remuneration of the public administration

- **Lenders:** remuneration of debt capital
- **Shareholders:** remuneration of risk capital
- **Corporate System:** remuneration of the Company
- **Community:** donations and sponsorships



DISTRIBUTION OF VALUE ADDED TO STAKEHOLDERS (494,863 mn € in 2015 – Group consolidated level)*



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

- The share of consolidated Value Added that went to the **personnel** amounted to 329.8 million euros (+29.5% on 2014), representing 66.6% of Total Value Added. This amount consists of the costs incurred for wages and salaries, social charges, benefits, directors' fees, pension defined-benefit plans and pension defined-contribution plans, social activities for employees, other costs.
- The remuneration of **risk capital**, 77.8 million euros (+37.2% on 2014) is represents 15.7% of total value added and corresponds to the profit attributable to the Group and minority interests.
- 6.6% of Value Added created in 2015, 32.4 million euros, has been invested in the IMA Group and reflects the

amount of **depreciation and amortization** of capital investments made by Group companies.

- The portion distributed to the **Public Administration** came to 40.1 million euros (8.1% of the total), being the sum of taxes and dues for the period.
- 12.7 million euros are allocated to **banks and other lenders** for interest due on mortgages, loans and bonds (2.6% of Value Added).
- Lastly, 1.9 million euros was allocated to the **Community** for trade associations, donations, sponsorship and charity.



End user

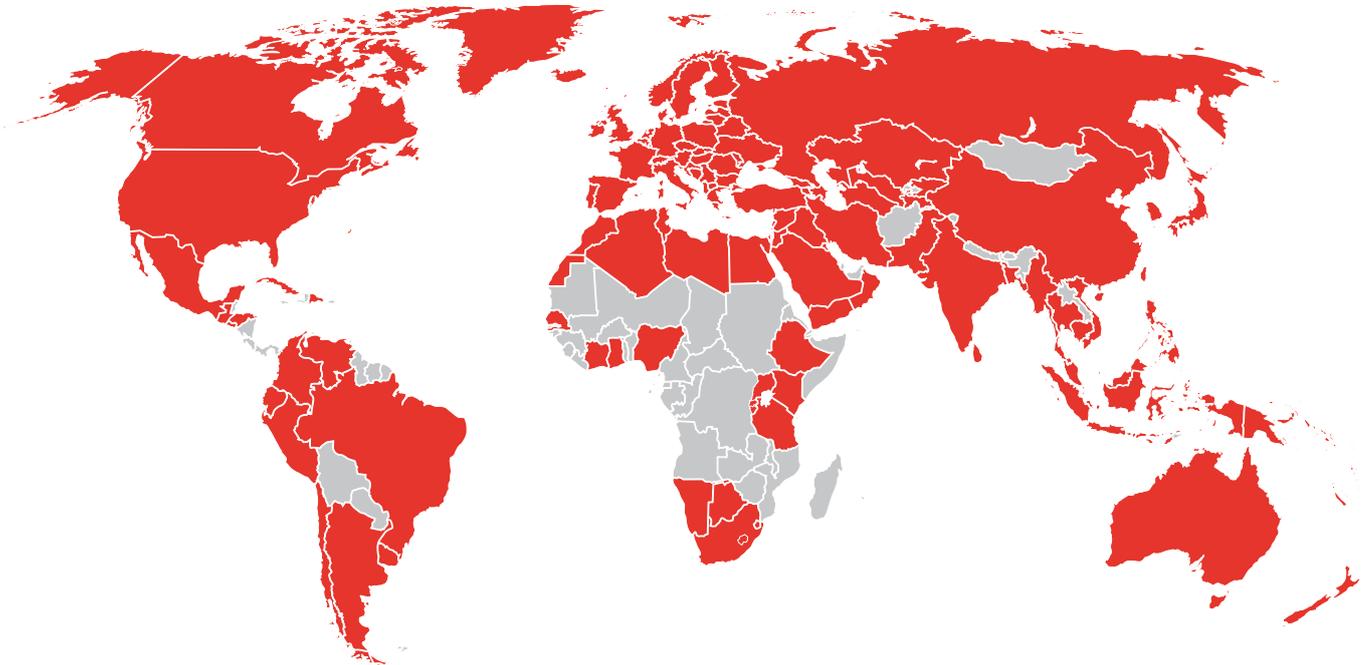
Customers and markets

To cope with a market that is increasingly characterized by sudden changes in the scenario and a difficult economic climate, IMA continues to focus on the expansionist policies launched in recent years, focusing on the following **commercial strategies**:

- developing revenues by leveraging both internal and external growth through a plan of strategic acquisitions;
- expanding our geographical area of action, while safeguarding our leadership in the historic markets and strengthening our presence in those with greater potential, such as China and other countries;

- seeking new business opportunities by leveraging our operational capacity, expanding the range of products and continually renewing them from a technology and functional point of view;
- maintaining profitability by means of close oversight, safeguarding the points of excellence achieved in our production platforms;
- focusing on excellence in customer service (technical and regulatory support, turnkey installation and start-up, after-sales service extended to the entire useful life of the product).

IMA IN THE WORLD



38 manufacturing plants in Italy, Germany, France, Switzerland, Spain, UK, USA, India, Malaysia, China and Argentina.

Again at Group level, IMA has a **widespread commercial**

network covering **80 countries** and having its headquarters in Italy and over **50 branches** in Europe, Middle East, North America, South America, Asia, and representative offices in various central and eastern European countries.



SOME OF THE IMA GROUP'S MAJOR END-USERS

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

Consolidated revenues in 2015 amounted to 1,109 million euros, an overall increase of 29.8%, of which 12.2% due to organic growth, with respect to 2014.

The Tea, Food & Other Sector grew by 47.2%, whereas the Pharma Sector rose by 14.5%.

CUSTOMERS BY SECTOR (consolidated sales - mn €)

in millions of €	2015		2014		% VARIATION
	AMOUNTS	%	AMOUNTS	%	
Tea, Food & Other	590.46	53.2	401.23	46.9	47.2
Pharma	519.08	46.8	453.38	53.1	14.5
TOTAL	1,109.54	100.00	854.61	100.00	29.8



90% of revenues came from outside Italy with growth in the European Union, Asia & Middle East and North America and a slight decrease in the other European countries.

About 70% of revenues were generated by plant and machines, while 30% came from after-sales activities (support, spares, kits etc.).

CUSTOMERS BY GEOGRAPHICAL AREA (consolidated sales - mn €)

in millions of €	2015		2014		% VARIATION
	AMOUNTS	%	AMOUNTS	%	
European Union (excluding Italy)	352.71	31.8	241.99	28.3	45.8
Other European countries	68.89	6.2	84.93	9.9	(18.9)
North America	223.42	20.1	133.80	15.7	67.0
Asia & Middle East	227.77	20.5	199.33	23.3	14.3
Other countries	118.26	10.7	117.06	13.7	1.0
Total - foreign markets	991.05	89.3	777.11	90.9	27.5
Italy	118.49	10.7	77.50	9.1	52.9
Total	1,109.54	100.00	854.61	100.00	29.8

Information and communication

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

At the time of the **main trade fairs**, where the IMA Group exhibits, press releases 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 trade fair's press room. IMA also organizes press tours during the Group's main events (open house events, new office inaugurations, etc.) and regularly publishes advertising pages on the main Italian and international trade publications, as well as banners and e-news, especially during major exhibitions.

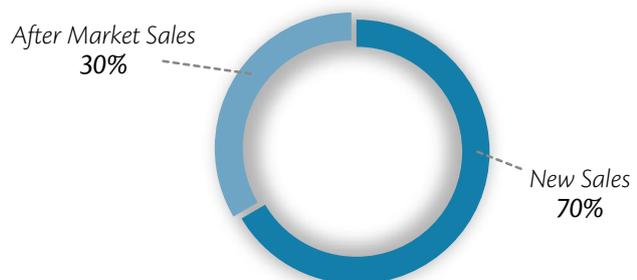
IMA's after-sales support

A high level of after-sales technical support has always been the lynchpin of IMA's **customer-oriented** policy and has been made possible thanks to a global network:

a large proportion of Group revenues (**30%**) is generated by **after-sales services** and the provision of spare parts and equipment, which are high value added and recurring activities with high margins.

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

REVENUES BY TYPE 2015



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

Extended warranty

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

Integrated maintenance

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

Spare parts service

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

MyIMA SPARE PARTS

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

Training

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

Remote assistance service

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



Technological innovation, research and development

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

Again in 2015, the IMA Group invested significant resources in **Research and Development: 40.05 million euros** (an increase on 2014: 36.22 million euros), equal to 3.6% of revenues. This item primarily includes the research costs incurred on the technological upgrading and normal revamping of standard products. The balance does not include the cost of development work ordered by specific clients, or the cost of customizing standard products. This expenditure is included in the cost of sales so it is invoiced to the clients concerned.

INVESTMENTS IN RESEARCH AND DEVELOPMENT

IMA forms part of the EU's 2015 scoreboard on investments in industrial R&D: this is a report that is published every year by the European Commission, based on a sample of 2,500 companies worldwide. It analyses the main economic and R&D indicators according to the latest published accounts (in this case 2014).

In absolute terms, IMA comes in about the middle of the ranking: it is not particularly meaningful to compare the performance of companies that are very different in terms of business sector, size and target markets; however, it is worth pointing out that **IMA's R&D expenditure as a percentage of sales (5.1%)** is higher than the world average (3.4%). IMA's rate of growth in R&D investment was also higher than the world average: it grew by 9.4% in 2014 and 6.6% in the last three years compared with 6.8% and 6.2% respectively worldwide.

In IMA's Italian companies, 573 people were involved in R&D during 2015 (studying new process and packaging solutions, mechanical and electronic design, etc.): R&D worked a total of **950,000** hours for IMA.

There are over 1,400 patents and patent applications pending worldwide. 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 comakership with the end-users.

The organization of Research and New Technologies

The complexity of IMA's world, due to the type of markets that it faces, together with its rapid growth, requires more central and transversal skills and the creation of a critical mass that makes it possible to experiment with new emerging technologies.

Generally speaking, research and development in IMA's world is carried on in two particular directions:

- research and development of machinery and equipment in a specific market segment: carried out within the individual divisions;
- experimentation, implementation, technology scouting, studying new architectures: performed by the Innovation structure.

The model adopted by IMA for the development of **innovation is of a "diffuse" type**: innovations can in fact come from the ideas of individuals, from input by the Marketing Department, from analysing competitors' machines, from collaborative innovation or from scouting for enabling technologies.



The peripheral R&D departments mainly make use of mechanical engineers and technicians, electronic engineers, computer analysts and automation experts.

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

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

Through the Innovation structure, IMA wants to strengthen the knowledge of those technologies and emerging visions that will have a strong impact on Manufacturing, the Supply Chain and on the characteristics of packaging machines over the coming years. The new production paradigm is called **Smart Manufacturing** and involves the use of **digital technologies** in manu-

facturing.

Some of the enabling technologies which IMA has decided to invest in are:

- additive manufacturing;
- IoT;
- Cloud;
- Big Data;
- advanced automation.

Some examples of these active collaborations in 2015 are:

- INFN (National Institute of Nuclear Physics), Trento;
- Johannes Kepler University Linz JKU;
- ELEDIA Research Center University of Trento;
- CNR Nano;
- Faculty of Engineering of the **University of Bologna**;
- Department of Architecture and School of Engineering and Architecture, University of Bologna - Industrial Product Design Course;
- **University of Parma** - Degree in Chemistry and Technology;
- Project with the **Ministry of Education, University and Research**, in which IMA has participated with funding for the development and strengthening of national technology clusters. IMA is included in the O.R. "Smart Manufacturing 2020";
- IMA is one of the founding members of **ITS MAKER - Istituto Superiore Meccanica Meccatronica Motoristica e Packaging**, the heart of Emilia Romagna's mechanical and mechatronics technology hub. IMA contributes by means of in-house training courses and by hosting students in its production departments for first and second year apprenticeships;
- **University of Ferrara**: diagnostic and prognostic maintenance of automatic machines through remote monitoring of data collection;
- **RF Microtech, a Perugia University spin-off**: a project for the real-time measurement of the net weight of drugs contained in capsules.



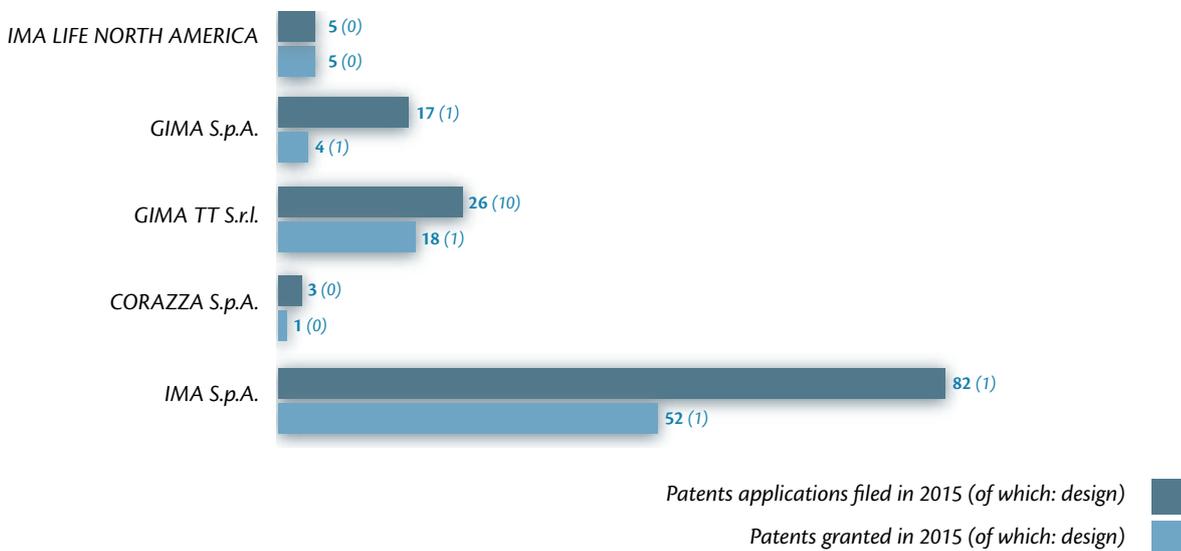
IMA, CRIT and LIAM

IMA forms part of the historical nucleus of founder companies and members of **CRIT (Centro di Ricerca e Innovazione Tecnologica / Centre for Technological Research and Innovation)**, a private company specializing in the research and analysis of scientific and technical information and in the development of research projects. For the last 15 years, IMA and CRIT have maintained a cooperative relationship that is reflected above all in the field of **collaborative innovation**, one of the cornerstones of CRIT's mission statement. In this context, IMA and CRIT have been able to translate the collaboration among regional companies with a high level of innovation into what have become today's best practices for innovation in the industrial and entrepreneurial world in that part of Italy.

Just one example of a success story which is a real milestone in the history of relations between companies, is the creation of **LIAM, Laboratorio Industriale Automazione Macchine per il Packaging (or Industrial Laboratory for the Automation of Packaging Machines)**. LIAM focuses on aspects of the automation of automatic packaging machines, which are of interest to its members and their customers. The project allows students who want to carry out their thesis at the laboratory to be already in contact with the world of work, acquiring the know-how that they need. For graduates who wish to extend their knowledge of specific subjects by working in the laboratory for a few years, it is an opportunity to gain a high-quality specialization that is much appreciated by the companies involved.

PATENTS FILED AND GRANTED IN 2015

(out of a total of 1,400 of patents and patent applications pending worldwide)



The costs capitalised during the year in relation to the projects for the **Tea, Food and Pharmaceuticals segments amounted to about 11.8 million euros** (7.5 million euros in 2014) and will be amortized once the products are available for sale.

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



'60

Compared with the systems used at the time, the first tea-bagging machine made by IMA in the '60s already represented a minor revolution: its automation integrated various functions, thus ensuring a lower use of space and better ergonomics.

'70

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

'90

The 90s saw the arrival of Comprima 300, a compressing machine able to produce 300,000 tablets per hour: an example of "quasi-breakthrough" innovation, influencing machine architecture by applying highly innovative concepts. Two completely new and important concepts were applied in creating this machine: powder feed and dosage by centrifugal force and direct washing of the machine possible at various levels of complexity.

'80

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



late '90

'90/00

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

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.

2000

2000>

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

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



Quality

VIDEO WALL: PRESENTING INNOVATION IN A SUSTAINABLE WAY

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

Video walls make it possible to replace a real packaging line with its digital representation, thereby overcoming the physical limits of the exhibition events. A single video wall can hold entire packaging lines: the energy saving and reduction of environmental consumption that derive from it for the same number of machines "exhibited" at a trade fair is considerable; an advantage that is multiplied if we consider the dozens of trade fairs that IMA takes part in every year.

Virtual stands were installed for the first time at the 2013 edition of the Packology exhibition and at the 2014 edition of the **Interpack exhibition** (with nine huge videowalls) and continued in other trade fairs in 2015, Achema in particular.

NEW MATERIALS

The growing acceptance of sustainability policies by companies means having to find innovative ways of improving product performance and reducing environmental impact: as a consequence, this is also reflected in the use of new packaging materials, especially in the food chain.

One of the points that IMA is working on in collaboration with our customers is the **use of compostable packaging materials.** Currently, these materials, which are still being developed, are seldom used for packaging, mainly for reasons of cost, but also because they are more complicated to use. It is therefore essential to involve IMA during the development of these materials to identify the most suitable packaging solution for the customer.

Integrated quality and regulatory compliance system

In order to ensure the highest level of service to its customers, IMA has adopted a **system of quality management that focuses on processes:** this has made it possible for IMA to offer its end-users maximum transparency in the execution of the various phases of the project, allowing the delivery of highly complex solutions on schedule, while maintaining a simple and flexible organizational structure. For this reason, IMA has long obtained **ISO 9001** certification of its **Quality System**, which covers the entire product life cycle, from research and development to sale, delivery and installation, all the way through to after-sales support. Particular attention is paid to the design control, which is crucial for the quality of the end product.

The Quality System has been designed and implemented to achieve the objectives of centrality and flexibility, i.e. to have the possibility to adapt to the specific characteristics of the market and the organization of the individual divisions and companies, while retaining the general guidelines and a system unique to the entire IMA Group.

This facilitates inclusion in the Quality System of the new companies that become part of the IMA Group as a result of acquisition, and their harmonization with the "world of IMA". In October 2015, IMA Life North America and IMA Life Beijing, which produce machines for the pharmaceutical industry, were the first foreign companies to be included as part of the IMA Group's certification.

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



integrated with the Company's Enterprise Resource Planning (ERP) system. This platform will also make it possible to acquire and monitor more structured and detailed information and data, which is fundamental for IMA to measure the quality delivered to its customers. The first flows managed by the new information system were released during 2015. This meant training up the entities involved and using the system to handle customers' dossiers.

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

Quality assurance and compliance with procedures is ensured by a **continuous internal audit plan** which, on an annual basis, involves the companies and divisions included in the IMA Group's Quality System. In 2015, **14 internal audits** (11 in 2014) were carried out with the participation of auditors from various areas of the company, previously qualified by the Quality Assurance Area.

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

Integrated Management System

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

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

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

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

The impacts on health and safety are assessed for all categories of products and services, i.e. in all cases where this is required by legislative or regulatory requirements.



Regulatory and technical know-how

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

IMA is also an active member of the Technical Committees of **UCIMA, the Italian Association of Automatic Packing and Packaging Machine Manufacturers, and UNI (Italian Standardization Office)**, where the proposals for revision of international standards for the world of automatic machines are discussed at a national level. IMA's involvement in these committees is intended to make an active contribution to the technical content, while remaining at the cutting edge on such issues.

In particular, during the course of **2015 we provided 3,300 hours of training to 1,250 people** on: the GMP and GAMP regulations and software validation regulations, the machinery and technical documentation directive, quality and ISO 9001, the food compatibility directive and ATEX.

Technical updates from an analysis of regulatory changes and innovations introduced by IMA represent a wealth of information and know-how that the Group makes available to end-users, meticulously preparing the documentation supplied with the machine: on the one hand, the compulsory technical **documentation**, such as the

Instruction Manual for the use and maintenance of machinery (with particular regard to safety warnings) and the Parts Manual; on the other hand, as regards the pharmaceutical market, supporting documentation for the validation of equipment in accordance with regulatory guidelines (FDA, EMEA). For this last aspect, IMA has laid down internal procedures for managing the life cycle of the control software of machines according to GAMP guidelines, including the risk analysis to ensure a test protocol that is optimized and focused on the critical areas.

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

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

Moreover, as regards the information provided to customers on the main categories of products, all of the machines that are sold by IMA are subject to the Machinery Directive, which lays down an obligation to provide adequate documentation of their proper installation, operation, maintenance and disposal.



End-user satisfaction

Listening to understand. Understanding 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;
- managing and minimizing complaints and disputes (for example, non-payment for technical/quality issues, etc.);
- reduction of warranty costs;
- 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 the goods supplied at the end of each sale of machines and lines.

The **customer satisfaction questionnaires** have been in use for a number of years: the 2015 figures indicate that 29% of the questionnaires were returned to IMA for the Pharmaceutical sector and 31% for the non-Pharmaceutical sector. The average of the scores received is 3.8 in the Pharmaceutical sector and 3.5 in the non-Pharmaceutical one (on a scale of 1 to 5, where 3 is satisfactory).

Another area of concern for IMA is the **analysis of warranty costs**: the Group started tracking these costs over the life cycle of the various machine models, from the first prototypes to machines already industrialized over the years. The analyses made it possible to focus on machine models needing improvements. The indicator is therefore a long-term one by its very nature: over a range of ratings from 1 to 100, where 60 is IMA's target, the average score of core suppliers over the last three years was 72 for the Pharmaceutical segment and 66 for the non-Pharmaceutical one.

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

IMA's commitment to ensuring high quality and high customer satisfaction is reflected in the average number of cases of non-compliance with regulations and voluntary codes: in 2015 this figure came to 1% for the Group, calculated as the ratio of non-compliance detected in a given year and the number of machines with a guarantee pending in the same period.

IMA receives the Leonardo Italian Quality Award 2015

During a ceremony held on March 7, 2016 in the splendid setting of the Palazzo del Quirinale, Alberto Vacchi, IMA's Chairman and Managing Director, received from the hands of the President of the Republic, Sergio Mattarella, the **Leonardo Italian Quality Award 2015**.

This award, which forms part of *Italian Quality Day*, was born on the initiative of the Leonardo Committee (Italian Quality Committee) and is given annually to entrepreneurs whose companies have achieved particular **success in international markets**, becoming **ambassadors of Italian excellence throughout the world**. After careful selection, the prize was awarded to IMA, recognizing it as a company with a strong commitment to innovation and a long-standing international presence. This approach has always been a distinguishing feature of our Group, resulting in a position of market leadership.

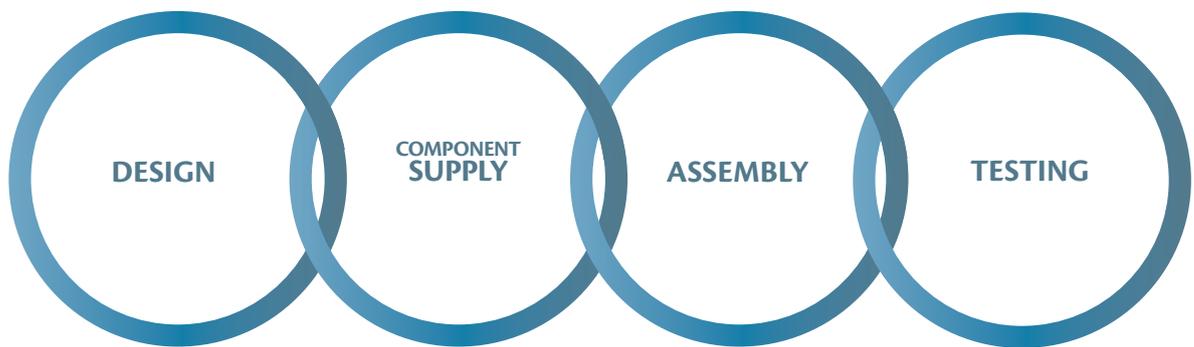


IMA's Supply Chain

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

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

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



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

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

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

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



Many of the strong contacts established by IMA in recent years are within its own **industrial cluster**. These relationships sometimes take the form of **minority investments (up to 30% of the share capital) in certain 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 at a financial as well as at a strategic level, which strengthen the cohesion of the production system and integrate the innovative potential of local players.

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

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

COMPANY NAME	REGISTERED OFFICE	DISTINCTIVE SKILLS
B.C. S.r.l.	Imola (BO)	Precision engineering
Bacciottini F.lli S.r.l.	Montemurlo (PO)	Sheet metal processing
Bolognesi S.r.l.	Dozza (BO)	Heavy carpentry work
GAME East	Vrsac, Serbia	Low cost mechanical engineering
I.E.M.A. S.r.l.	S. Giorgio di Piano (BO)	SW programming (e.g. PLC and motion control); Wiring and electrical panels
LA.CO. S.r.l.	Ozzano dell'Emilia (BO)	Mechanical engineering and quality control
Logimatic S.r.l.	Ozzano dell'Emilia (BO)	Management of contracts for complex machines
Masterpiece S.r.l.	Ozzano dell'Emilia (BO)	High precision mechanical engineering for camshafts
Meccanica Sarti S.r.l.	Bologna	Mechanical engineering and boring
Morc2.	Castel Bolognese (RA)	Transportation systems and industrial automation
Plasticcenter S.r.l.	Cadriano (BO)	Safety guards
Powertransmission.it S.r.l.	Villanova di Castenaso (BO)	Transmission components
RO.SI. S.r.l.	Bentivoglio (BO)	Plastics
SIL.MAC. S.r.l.	Gaggio Montano (BO) San Pietro in Casale (BO)	Mechanical assembly
S.I.Me S.r.l.	Ozzano dell'Emilia (BO)	Supply of metal raw material
STA.MA S.r.l.	Ozzano dell'Emilia (BO)	Mechanical assembly
3 T S.r.l.*	Gaggio Montano (BO)	Precision mechanical engineering
Verniciatura Dozzese S.r.l.*	Dozza (BO)	Painting and surface treatment

*Subsidiaries of companies in the supply chain



Through the development of this corporate network, IMA:

- increases its direct control of suppliers that are considered strategic for their know-how and the importance of the product/service that they offer;
- favours the development of these companies by leveraging the production and financial strength of the main customers;
- facilitates the integration of very small subcontractors through affiliated companies belonging to the network, so as to ensure continuity in critical situations of generational change, thereby contributing to their survival and development;
- helps each company of the network to focus on their own core business by delegating non-core activities to other entities in the network. For example, the **central warehouse of commercial components** supplies the major companies of the network, allowing them substantial savings as the Group is able to negotiate better purchasing conditions. The fledgling company **S.I.Me S.r.l.** provides raw materials to the contractors who have been entrusted with supplying components according to certain design specifications, ensuring rigorous traceability of material certificates and a high level of service in the supply of materials already cut to size.

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

Suppliers

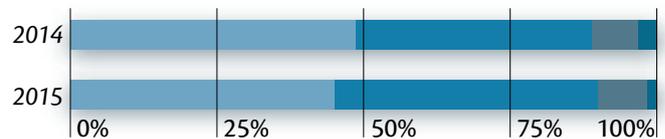
IMA works with different types of suppliers:

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

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

- custom-designed components;
- assembly and wiring;
- catalogue components (commercial);
- third-party machines;
- design and documentation.

PURCHASES BY GEOGRAPHICAL LOCATION



■ Bologna ■ ITALY ■ EU ■ non-EU



Manufacturers of components

The providers of custom-designed and catalogue components are clearly predominant in terms of number: **1,825** were available and **1,287** were used in the last year.

The volume of sales in the major categories is distributed in such a way as to concentrate 80% of total turnover around 20% of the pool of active suppliers. Considering the purchases made in 2015 by the Group's main Italian companies, which represent around 95% of total payables to suppliers and third parties without calculating the costs incurred for customs duty, employees, vehicles and agents, the amount of revenue paid to third parties came to **347.5 million euros** in 2015 (+12% on 2014). of this amount, 91% remained within Italy, and **45% of the total within the province of Bologna**. 6% and 3% of procurement expenditure were for purchases from EU and non-EU areas, respectively. These figures demonstrate the **value created by IMA for its territory and the local production cluster**.

The best companies with which the Group works are in fact rewarded by remaining partners for several years, allowing them to capitalize on the investments they have made in production technologies. The **low "rate of change/replacement"** is therefore the salient feature of the relationship between IMA and its suppliers. In this way IMA establishes preferential relationships based on the duration of the collaboration and on mutual loyalty: for example, **in 69% of cases, relationships with suppliers of custom-designed components last for more than 7 years**.

In any case, IMA focuses on the local area for custom-designed 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 389 suppliers active in 2015, 379 are Italian and, of these, 217 (56% of the total) are located in the province of Bologna**.

In order to improve collaboration with suppliers, providing a contribution to the supply chain, **IMA has adopted and developed a tool for exchanging data to help in the production cycle of components or groups of components**. IMA's philosophy is to integrate information flows with suppliers more and more, looking to adopt non-invasive system architectures that involve added value in the simplification and optimization of management activities in support of production. Currently, the direct exchange of purchase orders, order confirmations, delivery plans, non-compliance reports and transport documents takes place via this tool. The project is in continuous development and provides other important exchange features, with all Group divisions gradually getting involved in using it.

In order to help develop suppliers' skills, **training courses** have been organized on specific topics relating to production processes, such as welding and dimensional testing.

For affiliated suppliers only, **regular meetings** are held to keep them in line and update them on the results achieved, on production plans and operational strategies to be pursued.

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

78% of catalogue suppliers are manufacturers and commercial dealings with them are either direct or through their branches or representatives.



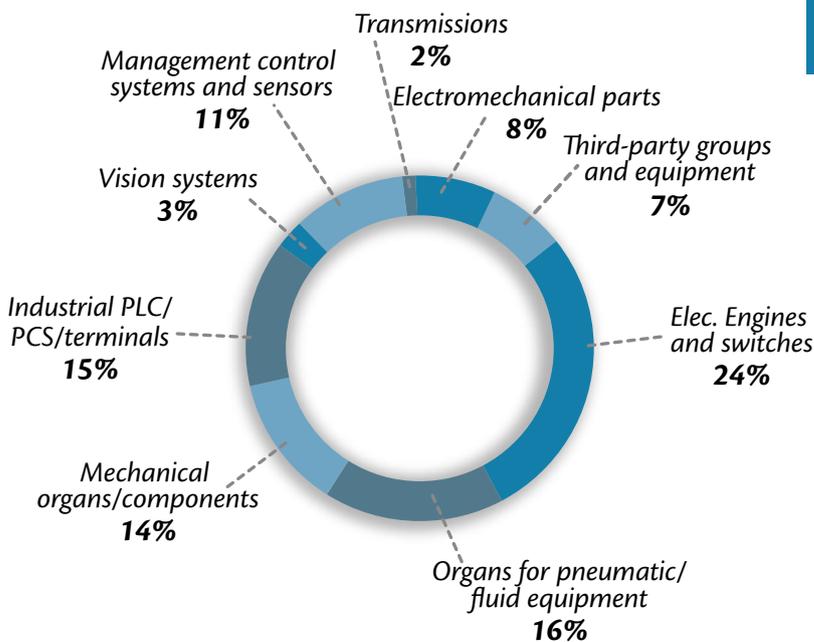
In order to guarantee and certify the origin of their machines, IMA requires all suppliers of commercial parts to provide **certification of the origin of individual components**.

In Europe, the preferential origin is Italy, followed by Germany. From an analysis of purchase volumes, we can break down the origin of commercial components by geographical area, as follows:

- Europe: 79%
- Asia: 17%
- Americas: 4%

The total value of commercial parts bought by the Group exceeds 64 million euros (2015).

TYPE OF PURCHASES OF CATALOGUE COMPONENTS



Innovative commercial warehouse project

The **commercial components warehouse** was launched in 2009 to increase efficiency and reduce the amount of surplus goods being bought by the Group's divisions. The creation of the Warehouse allowed IMA to **reduce purchasing costs** through economies of scale and to **increase the level of service** provided to the divisions. Soon after, these benefits were transferred to IMA's main suppliers, who were also able to take advantage of the service provided by the commercial components warehouse.

This purchasing strategy has allowed the Group to achieve a critical mass, making it possible to bypass certain levels of the distribution chain, such as dealers, and to obtain supplies directly from the manufacturer with substantial savings.

To cope with the rising volumes of stock, in 2014 IMA decided to make a major investment in an innovative automated warehouse: **AutoStore**. It is a system of **storage** and **picking** of individual articles and small packages that takes place by means of a control system of the on-board robots. Considering the actual results posted in 2014 and 2015 and the budgeted results for 2016, it is reasonable to foresee a **reduction of approximately 10%** in the cost of handling.



Supplier management system

The process of qualifying suppliers consists of several stages:

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

During the course of 2013, we developed a **new method of qualifying manufacturing suppliers**, which takes greater account of the peculiarities of the different productive sectors (design and commercial components, assembly, design, etc.) in order to make the results more effective. By the end of 2015, **45 suppliers of assembly and wiring, 36 suppliers of third-party machines and 61 suppliers of design and documentation** had been requalified under the new approach.

For **custom-designed component** suppliers, IMA has developed another new method of qualification with the aim of spreading the culture and level of suppliers with regard to quality issues and then transfer part of the testing of mechanical components to them. In addition to providing a level of qualification of suppliers which ensures the quality of supplied components, this method also provides for their training by IMA’s testing staff. By the end of 2015, 32 suppliers qualified for auto-control.

RANGE OF RATINGS

Over a range of ratings from 0 to 100, where 60 is satisfactory, the average score of core suppliers was 68 for the custom-designed components in 2015 (67 in 2014) and 69 for catalogue components (68 in 2014).



Relationship with suppliers of goods and services

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

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

Overall, the number of these suppliers is around 1,760. **In 2015, 70% of non-manufacturing purchases** were from a **pool of 660 suppliers**. Together, all of these suppliers received **117 million euros** from the IMA Group in 2015.

IMA's approach with these suppliers involves a continuous exchange of information, using dialogue as a basis on which to build win-win supply relationships. Day-to-day difficulties are discussed and resolved, limiting the negative impacts for both; indeed, trying to create long-standing partnership relations to our mutual satisfaction.

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

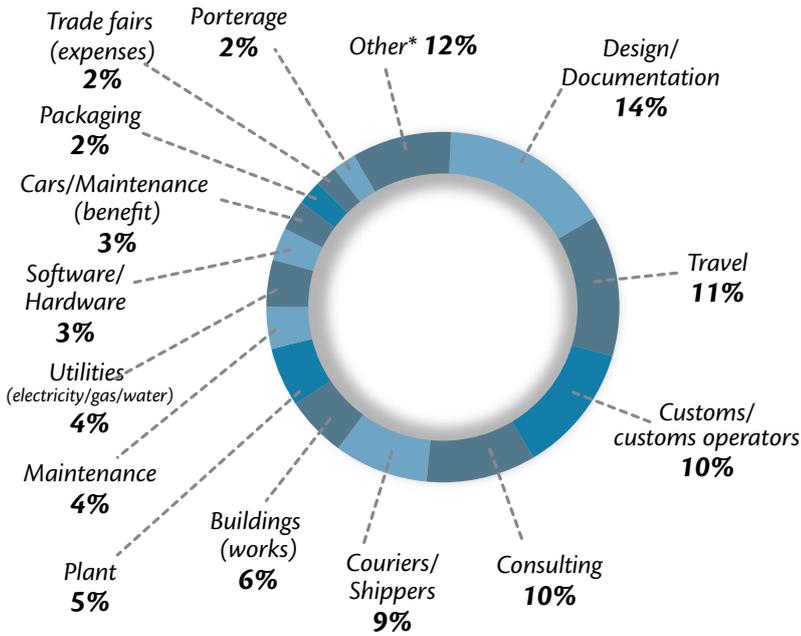
IMA has also involved its subsidiaries in a **Purchasing Group** by mapping the indirect costs of all these companies. Shared suppliers have been combined for the main cost items (canteen, electricity and gas). The increase in the critical mass of purchases, together with the request to extend IMA's conditions to subsidiaries, has fostered significant savings for companies in the Purchasing Group. This project is also continuing for other categories of goods (tools, personal protective equipment (PPE), stationery). It is important to point out that, beyond the economic results that have already been achieved, this initiative has enhanced **synergy between the various realities**, conveying the notion that thinking and acting as a group can lead to exponential improvements compared with individual action.

The following graph shows the main categories of non-manufacturing goods purchased by the IMA Group in 2015, worth a total of more than one million euros.



MAIN NON-MANUFACTURING PURCHASES DURING 2015

(The graph refers to items > 1 mn € and covers about 90% of total non-manufacturing purchases)



*Other: legal/notarial fees, canteen, cleaning, suppliers tools, patents, telephones, safety, furniture, taxi, car chauffeured services.

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

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

Non-manufacturing suppliers and their staff belong 90% to the area surrounding IMA's head office (about 50 km). To build long-term relationships with local suppliers is a historic choice that IMA seeks to preserve over time, with the aim of boosting local entrepreneurship and the benefits that result from that. IMA broad coverage clearly provides an opportunity to deal with even larger entities in other geographical areas; however, the intent is to understand the areas for improvement and discuss them with suppliers, to stimulate development and growth.





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



Over **1,400** people have been working for IMA for at least 10 years

Equal opportunities

Steps taken to promote gender mainstreaming



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

IMA's social commitment



paid in 2015 for donations and contributions

Most of the contributions made in **2015** were devoted to the **social** sector, **art, culture** and **education**



59,045 hours of **skills** training **involved 90.2%** of employees

7,900 hours of training on **safety**



In-house CSR projects

Social Sustainability



IMA's people

Composition and characteristics

The people who work for IMA are the Group's most strategic and by far its most important **intangible asset**, as they incorporate all of the Company's skills and knowledge. In fact, for our customers, the IMA Group is not merely a supplier of products that feature highly sophisticated technology, but rather a solver of complex problems via specially designed **solutions that are custom-tailored to meet their individual requirements**.

This means that all of our business processes have a very low level of repetition: from preparing bids to making the sale, from design and production to after-sales assistance, from contractual aspects to administrative matters, the proper functioning of each of these processes depends on the initiative of the individuals who work within them and on their ability to collaborate with everyone else in the organization, i.e. genuine teamwork.

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

- investing heavily and continuously in their professional growth;
- providing the best working environment and protecting the health and well-being of all employees;

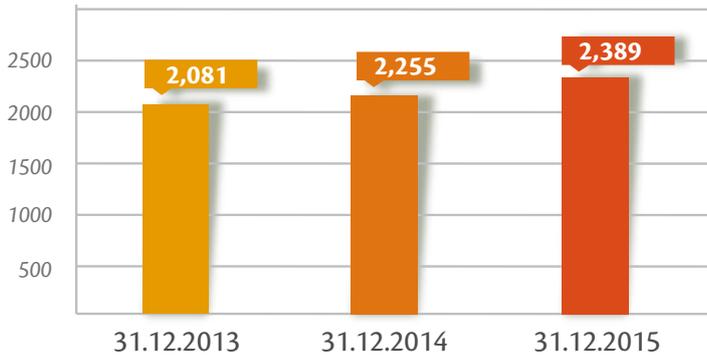
- adopting an organizational model with a high degree of participation;
- promoting a bonus system based on the rigorous identification and assessment of each employee's merit and the skills that they have acquired;
- appreciating differences and different abilities.

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

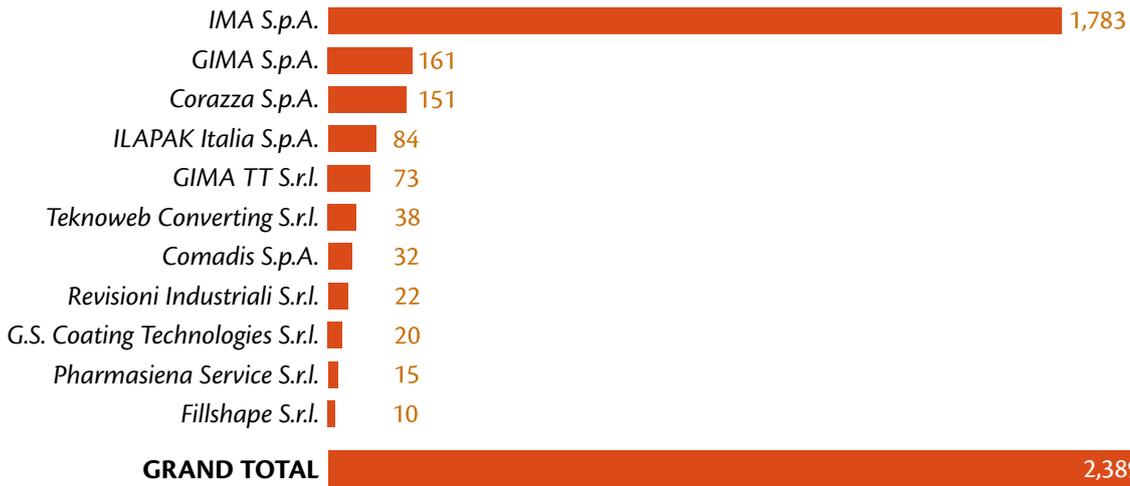
- for professionally strategic positions, the selection process is subject to ongoing refinement;
- the main types of contract used in recruitment are permanent contracts and apprenticeships, with certification of the training process;
- we have sought and consolidated ties with national and international universities and centres of excellence, as well as our traditional cooperation with local technical institutes;
- we offer extensive training and orientation programs for new recruits that are designed to facilitate their entry and to communicate the Company's values to them.



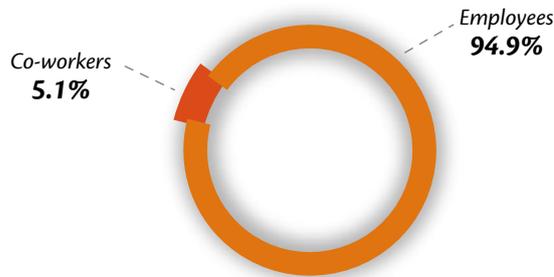
TREND IN EMPLOYEES



NUMBER OF EMPLOYEES BY COMPANY (figures updated to December 31, 2015)



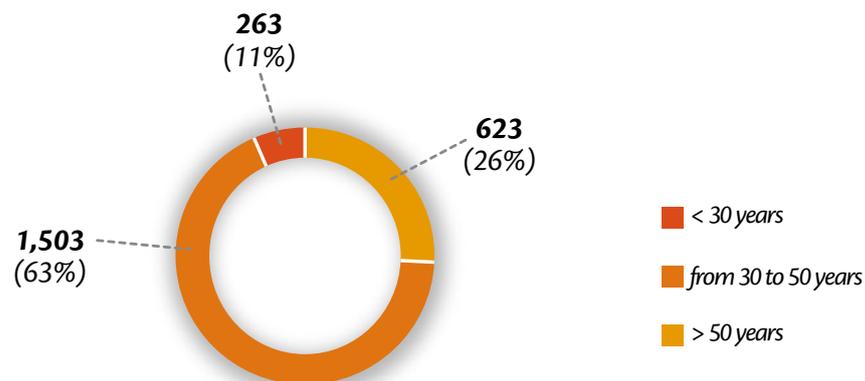
TOTAL WORKFORCE (figures updated to December 31, 2015)



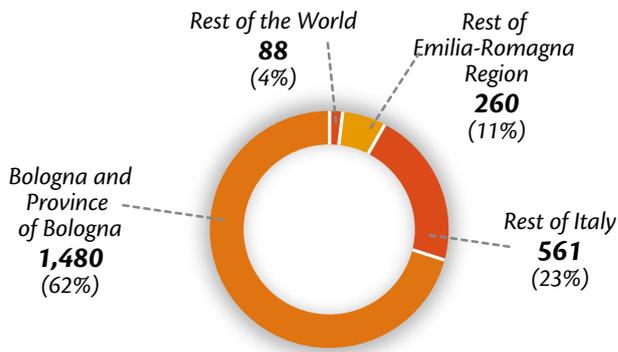
EMPLOYEES 2015	men			women			TOTAL
	full time	part time	tot.	full time	part time	tot.	
Permanent contract	1,846	9	1,855	306	106	412	2,267
Fixed-term contract	30	1	31	26	2	28	59
Apprenticeship contract	55	0	55	8	0	8	63
Total employees	1,931	10	1,941	340	108	448	2,389

CO-WORKERS 2015	men			women			TOTAL
	full time	part time	tot.	full time	part time	tot.	
Temping contracts	4		4	6		6	10
Project contracts	13		13	0		0	13
Internships and similar relationships with the company	194		194	28		28	222
Total co-workers	211		211	34		34	245

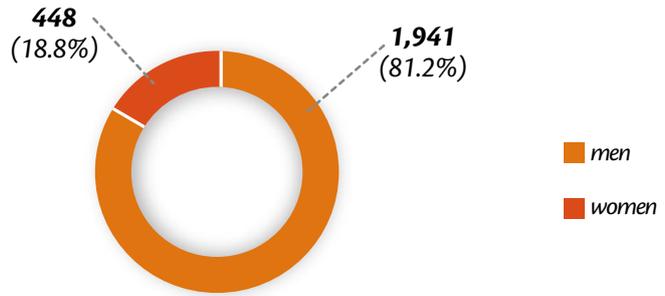
EMPLOYEES BY AGE RANGE (figures updated to December 31, 2015)



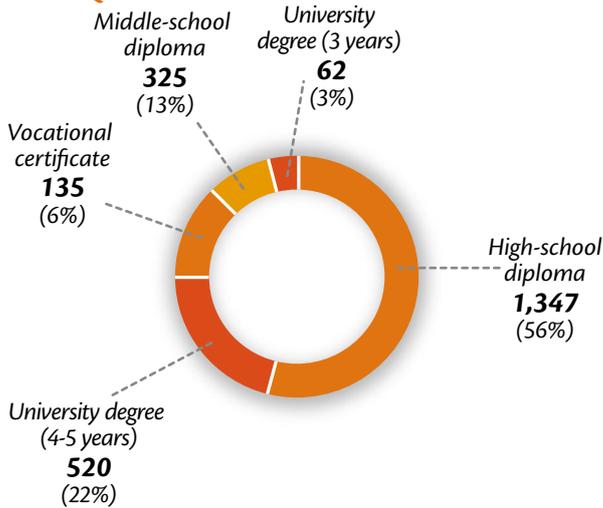
PLACE OF BIRTH



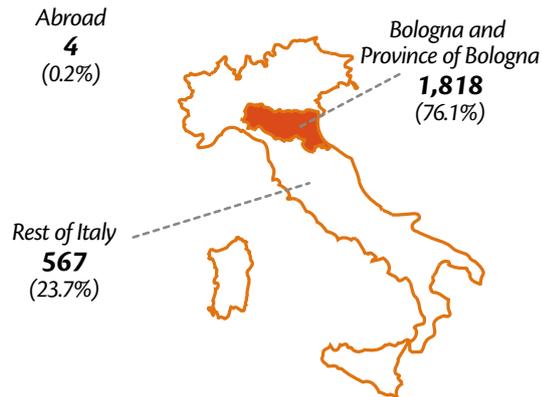
EMPLOYEES BY GENDER



QUALIFICATION



EMPLOYEES BY PLACE OF RESIDENCE



94.9% of our personnel are hired on a permanent basis (much the same as the 95.6% in 2014), which is in line with the Company's policy of creating stable, long-term employment for its workers. The use of atypical forms of collaboration has been very limited, also in 2015, for all of the Italian companies (10 temps and 13 people hired on a project basis).

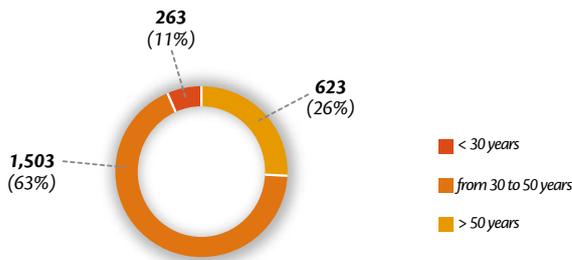
The stability of the employment relationship can also be seen in a **high average period of service: 1,427 people have worked for IMA for more than 10 years** (of these, over 564 for more than 20 years).

In 2015, **19 fixed-term contracts and 48 apprenticeship contracts were transformed into permanent contracts**. This figure is extremely significant and is the result of the importance given to staff selection, the ability of in-house tutors to involve the latest generation into IMA's work logic and its procedures for checking on training programmes for new hires.

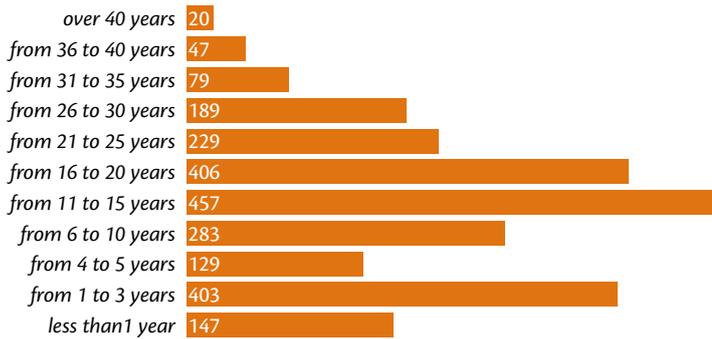
Part-time work has been requested by 4.9% of personnel: 118 employees in total (88 of them are 30-50 years old, 108 are women).



NUMBER OF PART-TIME EMPLOYEES (figures updated to December 31, 2015)



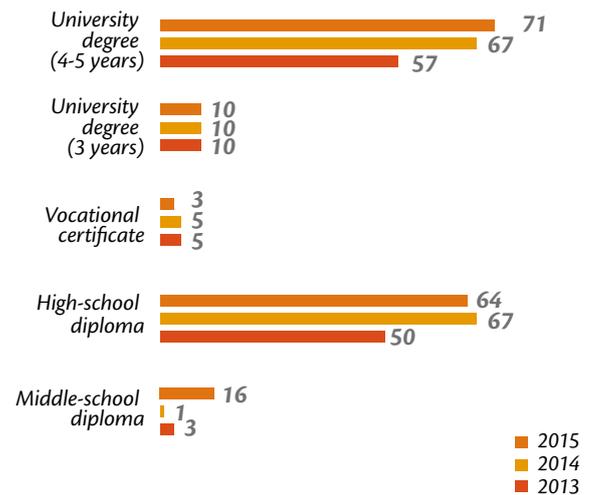
PERIOD OF SERVICE (figures updated to December 31, 2015)



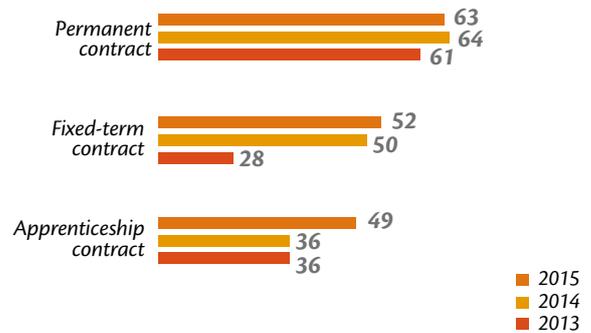
For **new hires**, the IMA Group mostly makes use of permanent contracts. Of the **164 people recruited during the year** (i.e. excluding 4 intercompany transfers), about 38% have been hired under permanent contracts, 30% under apprenticeship contracts and 32% under fixed-term contracts. New hires have an average age of 33, a high level of education (49% with a university degree and 39% with a high-school diploma) and 21.9% of them are women.

The **high level of education** of all Group employees (80.7% have a university degree or high-school diploma) also depends on the process of personnel search and selection, mainly oriented towards school leavers and graduates to be recruited for the production units: new hires attend training courses, generally accompanied by experienced members of staff who will help them in their professional growth, thereby facilitating the changeover of resources in the various positions.

NEW HIRES BY QUALIFICATION



NEW HIRES BY TYPE OF CONTRACT



Negative turnover (calculated as the number of leavers during the period compared with the headcount at the beginning of the period multiplied by 100) **is equal to 3.5%. Net turnover has a positive balance:** during the period under review, 164 new employees (of which 128 men and 36 women) joined the Company, compared with 150 in 2014, whereas only 80 left (net of intercompany transfers). This result is given by the difference be-

tween all new hires to handle the increase in business and the amount of retirements (46 people), voluntary resignations (29) and fixed-term contracts expired (5).

In agreement with local high schools and universities, several **apprenticeships and internships** were held in 2015, as in previous years, **involving a total of 222 young people.**

	Hiring rate 2013	Hiring rate 2014	Hiring rate 2015	Turnover of leavers 2013	Turnover of leavers 2014	Turnover of leavers 2015
MEN	4.96%	5.48%	5.62%	1.22%	1.44%	2.85%
WOMEN	1.12%	1.49%	1.58%	0.15%	0.56%	0.66%
Total	6.08%	6.96%	7.20%	1.36%	2.00%	3.51%

	New hires 2013	New hires 2014	New hires 2015	Leavers 2013	Leavers 2014	Leavers 2015
Workplace						
Bologna and Province of Bologna	117	136	127	25	36	71
Rest of Italy	8	14	37	3	7	9

	New hires 2013	New hires 2014	New hires 2015	Leavers 2013	Leavers 2014	Leavers 2015
Age						
< 30 years	59	77	79	5	9	9
From 30 to 50 years	60	68	73	15	19	18
> 50 years	6	5	12	8	15	53



Contractual matters and industrial relations

In the Group's **organizational structure** in Italy, 17.6% of employees are employed in the Commercial Area, including pre-sales and after-sales activities, 26.2% in R&D, 13.2% in Staff positions (Administration, Information Systems, Purchasing, Quality, Human Resources, Corporate Communications, Trade Fairs, etc.) and 42.9% in Manufacturing and Logistics.

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

Examples of these are comprehensive health and accident insurance, agreements for discounted purchases and the best market terms for numerous aspects of the employment contract (pay, maternity leave, advances against severance indemnities, use of part-time work, etc.).

	2013		2014		2015	
<i>Employees by qualification</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>
Manager	2	69	2	71	2	63
Middle manager	17	92	19	100	22	102
Office worker	374	1,138	397	1,208	420	1,260
Production worker	4	458	4	478	4	516
Grand total	397	1,757	422	1,857	448	1,941

The breakdown of employees between the **various contractual levels** shows a concentration at levels 5 and 6 (73.3% of the total); this reflects the high level of specialization that characterizes the Group's employees.

The contractual conditions that IMA offers to its staff are often **better than those granted by the sector on average**. This takes place by using tools to create favourable conditions for the expression of individual talent, based on a corporate culture that features a system of strongly shared values.

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

- an annual performance bonus which provides for the consolidation of a part of the average amounts paid during the period of the contract;
- travel expenses for administrative/commercial personnel and special conditions for travelling fitters and assemblers;



- health and accident insurance;
- flexible entry hours;
- paid and unpaid leave of absence under specific circumstances such as taking care of family members, doctors' visits and therapeutic treatments;
- extension of the conditions for granting advances on severance pay;
- canteen;
- psychological support by a professional and employees qualified for the role of Corporate Representatives.

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

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

- issues related to workers' health and safety;
- training plans to fill gaps shown up by the skills assessment;
- training proposals by the Workers' Representatives;
- enhancement of additional skills.

Dialogue with the Workers' Representatives has led the

Company to participate in various **social projects in favour of disadvantaged people in the area and to create employment opportunities.**

This emphasis by the Group on the individual is reflected above all in **low rates of turnover** and absenteeism, which are constantly at levels that can be considered physiological. Furthermore, IMA contributes to the development of Human Capital of the territory using a recruitment pool that is preferably local. The same applies at senior management level as well: 81% of IMA's managers at December 31, 2015 were born in Emilia-Romagna. This situation is related partly to IMA's choice of social responsibility, which binds it particularly to its local territory, and partly to the presence of widespread, qualified skills that can be found in the advanced mechanics cluster of Bologna and Emilia-Romagna.

Even though the level of industrial unrest is low, IMA still manages any work-related complaints or disputes through formal mechanisms agreed with the social partners or through channels expressly provided for under labour regulations: for example, any administrative complaints are usually brought by employees directly to the personnel office or to the Head of HR, who gives feedback and makes any adjustment in the first available pay packet; any disputes are referred, either directly or with the support of the Workers' Representatives, to the HR Department, which handles them directly through personal interviews; disputes of greater importance may come directly through external lawyers; in this case, the Company also makes use of law firms specialising in labour law.

The Supervisory Board (Legislative Decree 231/2001) is informed every six months by the HR Department of any disputes resolved by agreements between the parties or by conciliation reports with the trade unions.

The fact that IMA considers personal respect as one of the engines of its efficiency is also reflected in the fact that it respects organized systems of representation: intermediate bodies whose central role in the Group's market success is acknowledged by IMA.



Health and safety

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

In 2014, the Parent Company IMA S.p.A. certified its Safety at Work Management System according to the most prestigious international standard: the British Standard **BS OHSAS 18001**. This certification is maintained by means of a specific annual audit performed by a specialized company: the certificate was renewed for 2015. The other main companies of the IMA Group in Italy (Corazza S.p.A., Gima TT S.p.A., Gima S.p.A.) have introduced a similar Safety Management System for the proper performance of their business activities, correct implementation of which is verified by performing periodic internal inspections and audits: we believe that all of the companies listed above will be able to achieve BS OHSAS 18001 certification by the end of 2016.

Workers' participation at all levels is constantly high, guaranteed by specific health and safety representatives designated by the workers themselves: in total, the Parent Company IMA S.p.A. has **18 representatives compared with the 6 that are obligatory by law**. An RLS (health and safety representative) has also been designated in the other Italian Group companies. They collect comments from workers, performing **a representative role, but also making proposals**, bringing ideas and suggestions for improvement to the attention of the Prevention and Protection Unit; they also act as a **guarantee** by taking part in all of the training courses given to new hires.

Special meetings are also organized periodically and attended not only by the workers' representatives, but also by the company doctors, heads/employees of the Prevention and Protection Unit, employers and managers.

The percentage of workers involved in the safety management system in various ways (as preventive managers, supervisors, RSPP/ASPP, RLS, first aiders, fire fighters) comes to **25.8%** of the total (615 workers are involved).

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

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

The total number of **hours training** provided within Group companies in the field of **safety at work** in 2015 came to **7,900** (compared with about 11,200 in 2014 and 5,000 in 2013). Thanks to this commitment and continued investment in factories, plant and equipment, the trend in accidents within the IMA Group has been declining steadily over the last 10 years and is inversely proportional to the increase in the number of employees and, hence, in the number of hours worked.

There were 28 accidents in the workplace in 2015 (except while commuting) - 18 at IMA S.p.A. and 10 at other Group companies in Italy - compared with 10 in 2014 (7+3) out of a total of 3,883,976 hours worked (+3% on a total of 3,704,098 worked in 2014, 10% more than in 2013).



Personnel training and development

Via Emilia 428/442 plant in Ozzano, to allow for the handling and lifting of the automatic machinery and related groups and components installed there;

- design, installation and start-up of **another centralised pollutant vacuum system** at the machining workshop of the Via Emilia 428/442 plant in Ozzano dell'Emilia, at the service of the last two units that did not have one. At the same time, specific authorization for this site was obtained from the Province of Bologna.

Seismic risk

During 2015, anti-seismic consolidation work continued on the buildings (including the new local units) as protection against any earthquakes that may occur in the future. These interventions supplement those already completed in previous years as a result of the earthquakes that took place on May 20 and 29, 2012, even if the company's factories are located outside of the "crater" area covered by of the emergency measures introduced in June 2012. In other words, these works were not mandatory, but were designed to protect the workforce even more that they are already.

Like all large companies having to cope with the challenges of a competitive market, **IMA considers continuous training as a strategic resource**. So IMA's investment in this area is not limited to the starter training given to new hires, but is maintained over time, with the aim of encouraging professional growth and individual motivation. Complex and constantly evolving realities such as IMA, need employees with resourcefulness and initiative, ready for continuous challenge, moved by the desire to learn and improve.

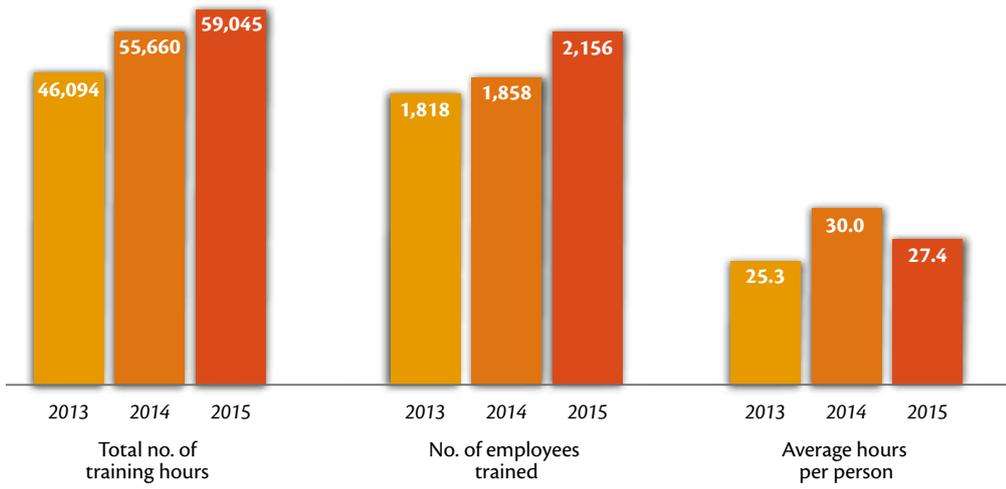
From this point of view, IMA is also a point of reference for the district system to which it belongs, working hard to adapt its organizational and management models to the "knowledge economy", in which professional careers - that are increasingly discontinuous and multidisciplinary - require more "generalist" skills as well as the high standard of professionalism required to work in an international, high-tech context.

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

Training activities (for a total of **59,045 hours**), geared towards improving the expertise of the Group's technical, administrative and commercial personnel, involved **2,156 employees, 90.2% of the total** (1,858 in 2014). Specialist training, updating professional skills, work safety, management skills development and foreign languages and matters mentioned in D.Lgs 231/2001 continue to be the main topics.



TRAINING



AVERAGE TRAINING HOURS PER PERSON BY CATEGORY AND GENDER

	WOMEN			MEN			TOTAL		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
MANAGERS	83.0	77.0	70.5	33.3	17.5	31.8	35.2	19.6	33.1
MIDDLE MANAGERS	41.4	45.2	36	32.6	24.7	27.0	34.0	28.4	28.6
OFFICE WORKERS	18.2	44.0	28.4	29.1	30.1	26.1	26.5	33.7	26.7
PRODUCTION WORKERS	3.7	39.5	21	17.9	18.2	29.1	17.8	18.3	29.1
TOTAL	19.4	44.2	29	26.7	26.4	27	25.4	30.0	27.4



Equal opportunities

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

The IMA Group is careful about the issue of **equal opportunities**, while operating in a production and industrial environment that, by history and tradition, tends to employ much fewer women than men. The personnel breakdown by gender has remained essentially the same as in 2014 (women are 18.8% of the entire workforce). There is a higher presence of female staff in white-collar positions, staff services and in the commercial area.

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

The current Board of Directors is made up of 13 members, including 3 women.

IMA gives part-time work to employees who make a reasoned request, within the limits set by collective agreements: in 2015, out of 118 part-time contracts, 91.5% had been requested by women. In total, 108 women are in part-time work, this being 24.1% of the total number of women working for IMA at December 31, 2015.

% of women by qualification	2013	2014	2015
Manager	2.8%	2.7%	3.1%
Middle manager	15.6%	16.0%	17.7%
Office worker	24.7%	24.7%	25.0%
Production worker	0.9%	0.8%	0.8%
Grand total	18.4%	18.5%	18.8%

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

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

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



Corporate welfare

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

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

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

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

During 2015, all applications for part-time work were again accepted by the Company (91.5% 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 men and women, are entitled to:

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

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

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



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

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

- contribution towards groups of employees who play sports at a recreational level.

In addition, all of IMA's employees, as required by Italian law, can take advantage of periods of absence or leave depending on their needs (e.g. care of family members). Out of 83 parental leave for maternity/paternity requested and granted in 2015, all of them returned to work at the end of their leave and are still on the books at December 31, 2015.

	2013			2014			2015		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
No. of times parental maternity/paternity leave	45	44	89	44	33	77	45	38	83
Leave for the birth of a child		56	56		42	42		55	55
Paid leave of 3-4 days	32	99	131	22	95	117	36	127	163
Unpaid leave for family care (16 hours)	24	22	46	18	15	33	23	13	36
Paid leave for family care (4 hours)	58	121	179	55	113	168	80	117	197
Leave as per Law 104	26	78	104	27	84	111	45	38	83



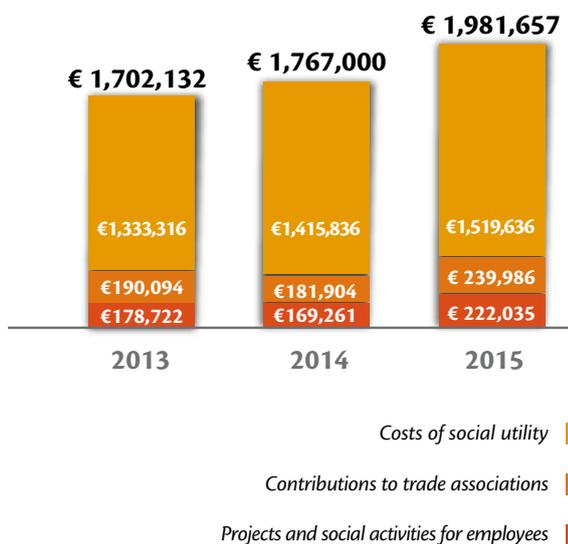
Involvement in the community

IMA has long contributed to various types of charitable, cultural and social initiatives, thanks to the attention of the Group, which is sensitive to the problems of **society** and to **cultural** development.

The Company's fiftieth anniversary (2011) 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.

During 2015, IMA supported numerous social, cultural and sports activities, making grants and donations for a total of **1,981,657 euros** (+12.5% on 2014). This amount includes the resources allocated to the **social responsibility projects**, expenses incurred for the benefit of employees (such as for sports groups or other corporate initiatives), as well as the fees that the Group has paid to join **representative or industry associations**. On average, over the last three years, the total of such contributions amounted to approximately 0.2% of total Group revenues from sales and services.

IMA'S SOCIAL COMMITMENT



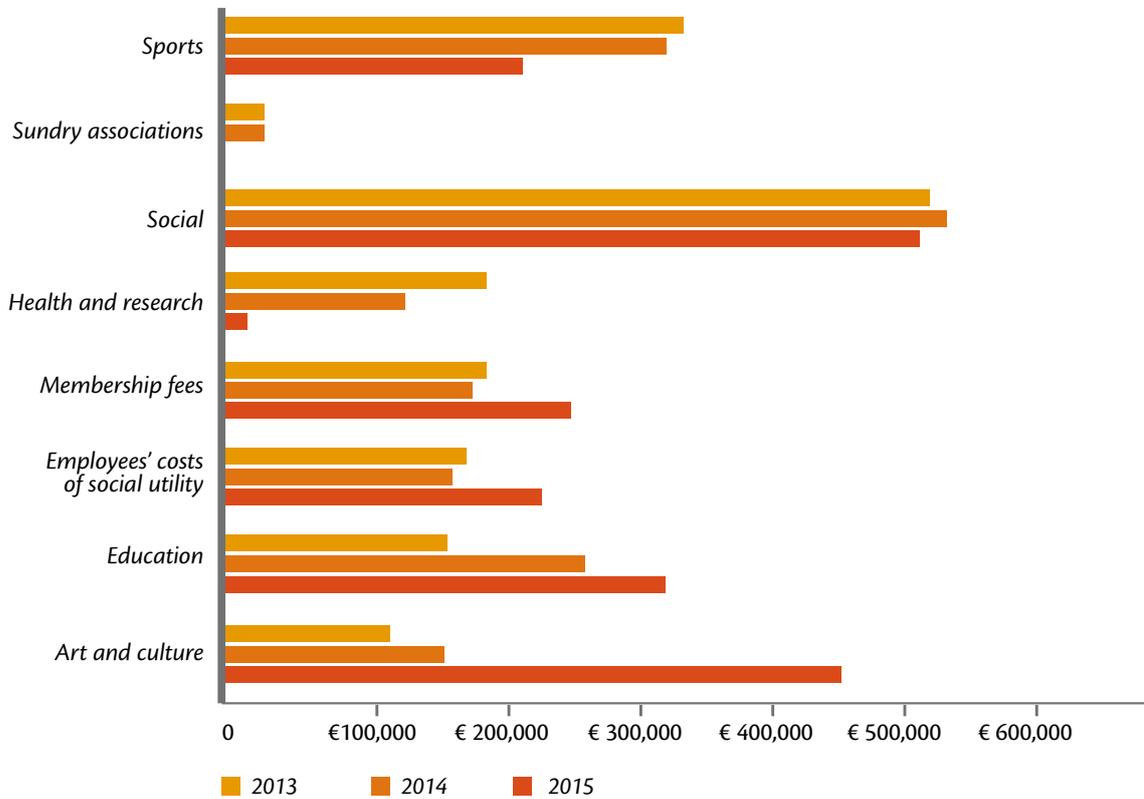
Note: unlike the calculation of Value Added in the chapter entitled "Direct economic value generated and distributed" in the "Economic Sustainability" section under "Community", the graph relates only to IMA S.p.A. and also takes into consideration the projects and social activities for employees.



IMA makes contributions mainly to **social projects and education**, as well as to **art and culture**, both of which increased considerably in 2015.

IMA also supports important **local sports teams**, such as **Bologna Football Club** and **Virtus Basketball**. It also devotes its attention to minor sports activities and organisations in the area, such as **Polisportiva Ozzanese**.

CONTRIBUTIONS TO THE COMMUNITY AND THE TERRITORY



Note: in 2015, the "sundry associations" category shows a zero balance because all of the organisations being financed fall into other categories.



In the **social field**, in 2015 IMA continued to provide support for numerous projects, such as the **NOVA - New Horizons for Adoption Association**, which aims to give a new family to abandoned children.

www.associazionenova.org

IMA also supports **Antoniano Onlus**.

ANTONIANO ONLUS

Antoniano Onlus helps those in situations of poverty to rebuild a series of relationships and to free themselves from difficulty. Thanks to IMA's key support, which has been going on since 2011, this non-profit organisation has developed a method of responding to the problem of social exclusion in the territory, with the aim of **going beyond emergency assistance and helping visitors to achieve long-term autonomy**.

In 2015 IMA's contribution served to reinforce the actions already taken, mainly thanks to the **introduction of new training tools**. The laboratories that have been activated have strengthened the interpersonal skills of the beneficiaries and provided them with more professional skills.

More specifically, **in 2015 IMA's contribution helped 65 people to achieve a better level of autonomy**: 20 of them have been included in social inclusion, healthcare and housing programmes, which also provided for the distribution of 3,000 meals; 40 attended training workshops of various types; and 5 people have taken an important step towards the world of work with internships and on-the-job training.

The objectives for 2016 were to make the canteen more and more sustainable, to accompany 500 people on their paths of autonomy, to involve at least 200 guests in training workshops or employment projects, and to create a new space inside the hostel for workshops and other initiatives.

www.onlus.antoniano.it

As for IMA's commitment in the field of **"Health and Research"**, the **contributions to entities, associations and non-profit organisations working in science or healthcare** have been put in this category.

Bimbo Tu - Research Project

Through the Bimbo Tu Association, which provides assistance to children with cancer of the central and peripheral nervous system and severe brain-marrow and cranio-vertebral diseases, IMA has contributed financially to the **"Histological Material Review Project"**. Led by Prof. Felice Giangaspero of the Neuropathology team of the Policlinico Umberto I in Rome, and Dr. Maura Massimino, Head Physician of the Oncological Pediatrics Unit at the IRCSS National Tumour Centre in Milan, the project aims to **collect and preserve histological material coming from all over Italy**. To date, Bimbo Tu has financed the **purchase of instrumentation and materials** needed for study activities (such as a fluorescence microscope and a -80° cryogenic unit) and **research grants** for researchers to go abroad.

www.bimbotu.it

Last Minute Market - A Year Against Waste

In 2015 IMA contributed to the project called **"A Year Against Waste"**, a communication campaign launched in 2010 by Last Minute Market to **raise public awareness on the issue of food waste**. Last Minute Market is a spin-off from the University of Bologna, founded in 1998 as a research project at the initiative of **Professor Andrea Segrè**. In 2003 it became a business to develop projects aimed at recovering unsold or unmarketable goods in favour of charitable organisations.

www.lastminutemarket.it

Nuovi Orizzonti

The Nuovi Orizzonti Community aims to intervene in various spheres of social problems, creating **solidarity actions in support of those who live in situations of serious difficulty**. It carries on its activities taking into account all situations of social exclusion, with particular attention to young people. It also promotes the values of sharing, spirituality and cooperation.

Nuovi Orizzonti is present at local level in the form of reception, training and orientation centres, residential care and social reintegration centres, listening and prevention centres.

www.nuoviorizzonti.org



FID (FARE IMPRESA IN DOZZA/DOING BUSINESS IN BOLOGNA'S DOZZA PRISON) – A PROCESS OF SOCIAL INCLUSION

“Fare Impresa in Dozza”, a project that began in 2012 on the initiative of Prof. Italo Giorgio Minguzzi, which is still going on thanks to the coordination of Gian Guido Naldi and support from G.D, IMA and the Marchesini Group, **has seen the creation of a genuine enterprise within Bologna's Dozza Prison.**

Technical training of the prisoners taking part in the project is financed by the Emilia-Romagna Region and managed by the Aldini Valeriani Foundation. In May 2015, the Regional Authority approved the training course **“Business in prison: skills development for the qualification of mechanical systems operator - 4th Edition”**. According to figures provided by the Aldini Valeriani Foundation, the training involved **12 prisoners** for a total duration of 376 hours. A final exam awarded two skills units for the qualification of mechanical systems operator.

Every year, the FID structure, coordinated from an operational point of view by Valerio Monteventi, employs **a workforce that ranges from 10 to 15 people**, depending on how many have been released from prison. At the end of December 2015, there were 10 employees and 2 apprentices.

The **tutors**, who are mainly former employees of the companies that sponsor the project - such as Aldo Gori and Giancarlo Giovannini, two technicians who have been working at IMA for years - supervise the workers as they carry out **assembly work of medium difficulty** on behalf of large companies in the packaging sector. Two other tutors have been added in recent months and they intervene when needed: a **maintenance electrician** and a **draughtsman/designer**.

The experience gained in FID has turned out to be **very useful for reintegrating detainees into the workforce**: once their prison sentence is over, several former detainees have in fact found employment in local businesses (including sub-suppliers of IMA). So far, of the prisoners who have worked at FID, none of them has gone back to jail, even though the national statistic for repeat offenders is around 70%.

So this really is a **complete process of social inclusion**, starting from training and work experience in prison and extending outside the prison, offering prisoners a genuine chance of rehabilitation.

Culture, education and training

In 2015 support for education involved various contributions to technical institutes, foundations and university, training and research centres.

University degree course in Industrial Product Design

IMA S.p.A. continues to support the degree course in Industrial Product Design at the Department of Architecture of the University of Bologna, **contributing to the definition of the teaching plan and implementation of laboratories at the University**. The course aims to **train industrial designers** who have both the instrumental knowledge for the development of projects and the ability to contextualize the assumptions made about their engineering, development and production start-up within a particular firm. The purpose of the curriculum is to be able to control culturally not only the final act of formalisation of the project, but also the complexity of the economic, cultural, relational and communication processes that influence its achievement.

In addition, **IMA also hosted at its head office 25 students in the first year** of the course for 40 hours of technical training.

On July 22, 2016, 29 students were proclaimed graduates in Industrial Product Design, the first students to finish the three-year course set up at the University of Bologna in 2013.

www.corsi.unibo.it/laurea/designprodottoindustriale

Bologna Business School

Bologna Business School (BBS), which belongs to the **University of Bologna**, supports the personal and professional development of its students, consolidating a community made up of students, teachers, business networks and international partner universities. The training provided by BBS is cutting edge and high-quality, accessible and open, thanks to the **scholarships** and **honour loans** offered to international students.

www.bbs.unibo.it



IMA supports training activities financially through its **contribution to the Bologna Business School Foundation**.

ReUniOn

ReUniOn, **the first global gathering of Alma Mater (Bologna University) Alumni**, was held in Bologna from June 19 to 21, 2015: three days of meetings, debates, testimonials, exhibitions and shows in the most beautiful places in the city. An unprecedented chance of encounter and dialogue in Italy, ReUniOn represented a sort of “homecoming” to discover new opportunities through the university.

ReUniOn was conceived by the Alma Mater Studiorum - University of Bologna, developed by the Alma Mater Foundation, supported and sponsored by the City of Bologna and the Emilia-Romagna Region. The great success of this event was also due to the support of its many partners, including **IMA, which participated with an information booth at Palazzo Re Enzo**, welcoming the numerous visitors, all graduates of the oldest university in the Western world.

The aim was to create not only a time to meet and a party full of memories, but also, and above all, an opportunity for **collective reflection on the history and challenges of the Alma Mater**, emblem of the role that a great and vital public university can play in the growth of the country and of the individual students.

Thanks to a **full programme of events** (over 50 dedicated to the various disciplines, with more than 140 guests), the event involved several generations of former students but also of citizens, confirming that, by vocation and history, Bologna has always been and continues to be the **“city of students”**.

www.reunion.unibo.it

Fondazione Roland Berger Italia Onlus

The Roland Berger Foundation in Italy is a non-profit social utility organisation that offers a programme of **differentiated support for deserving children and youths** from socially disadvantaged families, allowing them to take advantage of a good education suited to their abilities. The **Italian Scholarship** represents an opportunity for those middle and high school students with academic merits, willing to engage in school and in social life. The Foundation has developed an **individual support plan, consisting of ten training areas, which promotes the development of individual talents**: each student is in fact accompanied by an honorary mentor up to their first year of university. **IMA supports the Italian Scholarship**, contributing to the training of deserving students who cannot rely on their parents' resources.

www.fondazionerolandberger.org

Metropolitan City of Bologna – Mech Your Move!

IMA has funded **2 scholarships** for the project **Mech Your Move! 2**, which managed to put together **90 transnational stages** for youths between the ages of 19 and 32, resident in Emilia Romagna or enrolled in the 2nd year of a course organised by the ITS Maker Foundation. The internships, which lasted 14 weeks, were held in Ireland, Germany, Spain, Portugal, France, Malta and Lithuania.

Andrea Bugamelli Prize

The “Andrea Bugamelli Prize” was established in memory of **Andrea Bugamelli**, a former student of the Istituto Alberghetti di Imola and young employee of IMA who died prematurely in 2012.

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



Civitas Claterna

The archaeological research at Claterna was restarted in August 2015, inaugurating the fifth year of the project **"An ancient Roman residence over time: archaeological excavations to enhance sector 11"**, coordinated by the Civitas Claterna Association and directed by the Superintendence for Archaeological Heritage of Emilia-Romagna. The project is financially supported by CRIF and IMA.

In the last year of work, which saw the involvement of young archaeologists from the Universities of Venice, Bologna and Ferrara, the research focused on the **extension of the excavation towards the north**, which led to the discovery of other parts of the Domus, and on **exploration of the ancient Via Emilia**, which is located next to the current one.

During the year different **guided tours** were held: "Civitas intra agro" has made known to the general public the agricultural productions of this territory in Roman times; in June and July, during the weekends - and for the ninth year in a row - "Claterna si rivela" ("Claterna shows itself") was the appointment that allowed visitors to discover the ancient Roman city in the company of archaeologists and volunteers working in the area; "Il lungo cammino della libertà" ("The long journey of freedom"), on the other hand, was a historical nature trail which investigated the mode of supply and management of water resources in Claterna times.

www.civitasclaterna.org

Bologna Festival 2015

In 2015 IMA supported the **Associazione Onlus Bologna Festival**, which organised the 34th edition of "Bologna Festival". The event has hosted absolutely outstanding directors and orchestras, offering concert programmes and productions exclusively for Italy.

www.bolognafestival.it

Imola in Musica

IMA sponsored the 2015 edition of "Imola in Musica", organised by the Culture and Promotion Department of the City of Imola (Bologna). This annual event, scheduled for early June, provides a **rich programme of free music events** located in the most picturesque places in the city. The 2015 edition registered an **attendance of about**

90,000 people. "Imola in Musica" was also awarded the EFFE 2015-2016 label as one of the best festivals in Europe.

www.imolainmusica.it

International Piano Academy

The "Accademia Pianistica Internazionale" (International Piano Academy), born and raised in Imola (Bologna), is a non-profit organisation that operates a **worldwide-famous training school for musicians**. IMA's contribution in 2015-2016 supported the educational activities of the school and the **chamber orchestra directed by Maestro Vladimir Ashkenazy**.

www.accademiapianistica.org

Tamino project - Mozart14 Association

The "Associazione Mozart14" ("Mozart14 Association") of Bologna is the continuation of the social and educational projects designed by **Claudio Abbado**. In particular, IMA offered a **contribution to the Tamino project**, which uses **music therapy sessions dedicated to children** at the Oncology and Paediatric Surgery, Neonatology and Neonatal Intensive Care departments at the Sant'Orsola University Hospital in Bologna, to alleviate the suffering of children in hospital.

www.mozart14.com

Art bonus

For a long time, **IMA has helped to fund various types of artistic and cultural initiatives**, encouraging the development of culture and the creation of important works of art. These are projects that have a historical and artistic value, but also a special meaning for the territory to which IMA is linked.

Among the most important cultural institutions that IMA has supported through the Art Bonus (a legislative measure which grants a tax credit equal to 65% of the amount donated to those who make donations in support of the Italian public cultural heritage) there is the **Fondazione Teatro Comunale di Bologna**, which used the contributions paid by IMA to support the **2015 Season of the Teatro Comunale di Bologna**.

artbonus.gov.it



YAP MAXXI 2015

IMA sponsored the YAP MAXXI 2015 which took place at the **MAXXI Museum in Rome** from June 26 to September 20, 2015. **YAP - Young Architects Programme - is a project to promote young creativity and architecture** that the MAXXI National Museum of XXI Century Arts held for five years in partnership with MoMA/MoMA PS1. The 2015 edition was won by the Great Land installation by the CORTE group.

www.fondazionemaxxi.it

Scriba Festival 2015

For the fourth year in a row, the IMA Group took part in **Scriba** (Bologna, November 6-8, 2015), a **writing festival** conceived and organized by **Associazione Finzioni** in collaboration with **Bottega Finzioni**, the storytelling laboratory of **Carlo Lucarelli**. The 2015 Scriba festival was attended by special guests and included the organisation of numerous events at Bologna bookshops.

www.scribafestival.it

Libera

"Libera. Associations, names and numbers against the various mafias" was founded in 1995 with the intent to encourage civil society in the fight against organised crime and promote law and justice. Libera currently coordinates more than 1,600 associations, groups, schools, grassroots groups, territorially committed to promote and spread responsibility, citizenship and social justice.

"Truth enlightens justice" was the title of the **twentieth edition of remembrance and commitment day for the innocent victims of the mafias**, promoted by Libera, which took place on March 21, 2015 in Bologna. From the stage where the event was held over 800 names of innocent victims of the mafias were read out, with particular reference to the August 2, 1980 terrorist bombing at Bologna's railway station and the Ustica disaster, for which it was the 35th anniversary.

Along with other important companies in the territory, **IMA contributed to this event**, which since 1996 takes place every March 21, the first day of spring, symbol of hope and rebirth.

www.libera.it

Christmas Evening at the EuropAuditorium Theatre

Again at Christmas 2015, the Chairman of IMA considered it appropriate that the evenings of pre-Christmas wishes should become an occasion of sharing the corporate identity and spirit. So **an evening was organized for the Italian employees of the Group at the EuropAuditorium Theatre** in Bologna, which took place on December 14. The event, entitled **"Share Peace and Happiness!"**, was dedicated to the theme of peace and sharing messages of solidarity. Shows by **Alessandro Bergonzoni** and **comedy duo David Riondino and Dario Vergassola** enriched the evening's programme.



International projects

“The Light of Southern Italy” NYC Exhibition

IMA was one of the official sponsors of the exhibition “**The Light of Southern Italy - Paintings from the 19th-Century Neapolitan School**”, which was held from October 8 to November 5, 2015 at the **Italian Cultural Institute of New York**. In this exhibition, the curator Marco Bertoli proposed works by Consalvo Carelli, Antonio Mancini, Francesco Paolo Michetti, Francesco Lojacono, Filippo Palizzi, Giuseppe De Nittis, and other masters of nineteenth century Italian painting.

Foundation for World Wide Cooperation

The Foundation aims at promoting and studying the social, cultural, economic and political issues of the world, in order to encourage the creation and discussion of new proposals for collaboration in the international context and in Europe in particular. In 2015 the conference “**Poverty alleviation - A role for technology and infrastructure**” was held in Rome, organised by the Foundation.

www.fondazionepopoli.org

SAVE FOOD

Since March 2013, IMA joined the **SAVE FOOD initiative**, sharing the intentions expressed in the founding declaration. SAVE FOOD, in partnership with **FAO, Messe Düsseldorf** and **Interpack**, works with supporters, international organizations, financial institutions, private partners in the sector of the packaging industry and in other areas, in order to develop and implement programmes to combat food losses and waste.

packaging development in Sub-Saharan Africa

As part of **SAVE FOOD**, on October 7, 2015, IMA's Chairman Alberto Vacchi and FAO Assistant Director-General Laurent Thomas signed an agreement for the execution of the project “**Improving food packaging for small and medium agro-enterprises in Sub-Saharan Africa**”. For this **project**, which will last for three years, **IMA has allocated a total contribution of 450,000 euros**, of which about 50,000 euros of ancillary costs, in order to intervene on food waste with appropriate technologies. According to FAO estimates, in fact, a third of all the food produced in the world is lost. In this situation, packaging can play a strategic role in the fight against hunger and malnutrition.

The International Trade Centre (ITC) in Geneva will also participate in this project. ITC is the centre for international trade affiliated to the World Trade Organisation and to the United Nations Conference.

In addition to evaluation studies on the packaging used by small and medium-sized enterprises in **Côte d'Ivoire, Ghana, Nigeria and Senegal**, there are some updates based on the latest information in order to make more sensitive assessments by the end of the year from a nutritional point of view (such as labelling with information about the composition of foods and their nutritional content).

A **FAO-ITC mission** in Ghana, Côte d'Ivoire and Senegal is planned by the end of the year with a view to assessing the constraints and opportunities in each country for the creation of a **national packaging centre**. Based on the results of the mission, “Terms of Reference” will be prepared for identifying targeted studies in each country, in order to provide analysis and recommendations for the establishment and operation of the packaging centres.

www.save-food.org



The European Pact for Youth

Signed in late 2015 by an initial group of signatories that included the European Parliament, business leaders and important European personalities in the field of Corporate Sustainability, including **IMA's Chairman Alberto Vacchi**, Diana Bracco (Bracco Group and Sodalitas Foundation), Francesco Starace (Enel) and Marco Tronchetti Provera (Pirelli), **the European Pact for Youth identifies in the School-Business Partnership the main strategy for the inclusion and employability of young people.**

Implementation of the Pact - led by Marianne Thyssen, European Commissioner for Employment, and Etienne Davignon, Chairman of CSR Europe - aims to achieve three objectives by the end of 2017: 1) to create 10,000 high quality partnerships between businesses and the education system; 2) to provide at least 100,000 new opportunities for integration into employment, training or apprenticeship; 3) to prepare a national action plan for each EU country to promote competitiveness and employability.

www.csreurope.org/pactforyouth

Médecins Sans Frontières – Mauritania Project

In 2015, IMA supported the **medical and nutritional care project by Médecins Sans Frontières in the southeast of Mauritania**, addressed to refugees from Mali welcomed in the Mbéra and Fassala camps (from 2012 thousands of Malians have fled from their land following clashes between rebels and French soldiers), and to the local population of the **Bassikounou District**, a very poor desert area where the influx of refugees has burdened the already deficient health care system. MSF's activities are focused above all on **primary health care, maternal and child care, treatment for malnutrition and malaria, life-saving surgery, obstetrics and traumatology.**

www.msf.org

Membership of Associations and Institutions

IMA is a member of various associations and institutions at national and international level to contribute to the **dissemination of quality and innovation, automation culture and sustainability.** In 2015, the main associations and institutions to which it belongs are:

Unindustria Bologna
IMA's Chairman Alberto Vacchi is also Chairman of Unindustria, which is Confindustria's association in Bologna
Federmeccanica
Member
UCIMA – Italian Packaging Machinery Manufacturers Association
Vice Chairman
Association of Friends of the Industrial Heritage Museum
Vice Chairman
E.R.-AMIAT (Emilia-Romagna Advanced Mechanics and Industrial Automation Technology)
Secretary General
Impronta Etica
Management Committee
Prometeia
Member
SAVE FOOD
Member
CRIT
Technical/Management Committee

■ Institution □ The role of IMA or of its Representatives

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



Impronta Etica

Impronta Etica is a non-profit organization for **the promotion of social responsibility in business**, it operates to promote **sustainable development**, creating a network of businesses and organizations that consider social engagement an essential part of their mission and activity. Since 2002 Impronta Etica has become a partner of the **CSR Europe** network with the intention of strengthening Italy's presence at a European level.

IMA has been a member of Impronta Etica since 2012 and in 2013 it was asked to join the Association's Executive Committee.

www.improntaetica.org

Expo Milano 2015

As part of Expo Milano 2015, IMA contributed to the round table entitled **"Integrated, connected and secure - The management of sustainability in the supply chain between risks and opportunities"**, organised by **Impronta Etica** to discuss the results of the research of the same name carried out by the Association. During the meeting, companies and institutions analysed how the management of sustainability can produce social, environmental and economic changes in the **supply chain** and in **relations between companies and stakeholders**.

E.R.-AMIAT (Emilia-Romagna Advanced Mechanics and Industrial Automation Technology)

E.R.-AMIAT is a non-profit organisation founded in 2011 by the main companies in Emilia-Romagna in the **field of advanced mechanics**, which includes IMA. Its purpose is to **reconcile productivity and economic, social and environmental sustainability** by researching business models that companies can follow.

In January 2015, the European Commission invited E.R.-AMIAT to consider the possibility of **proposing an expanded version of the Industry 4.0 plan**, combining social and technological innovation, in order to stimulate research into new practices and business models that **integrate social aspects with industrial processes** (new role of the end-user, accessibility and flexibility of production, the role of social platforms in production processes, renewed vision of CSR, social inclusion).

On May 22, 2015, with the help of DG Research & Innovation and EFFRA (European Factory of the Future Research

Association), E.R.-AMIAT organised a round table entitled **"Towards a New European Industrial Competitiveness #Sustainability #Inclusion #Innovation"** at the Brussels office of the Emilia-Romagna Region.

The Association promoted a project for a **sustainability standard (SuStAlnE)** that fits into the broader context of the **Fourth Industrial Revolution**, a worldwide phenomenon destined to change production processes and the dynamics of market relations.

On the occasion of the conference **"How Can We Govern Europe"**, held in Rome from September 18 to 20, 2015, the Association was represented by the Secretary General, who outlined the structure and projects in the presence of the most important personalities of the European economic scenario.

During the **Public-Private Partnerships Info Day** on October 16, 2015, organised by the European Commission, the packaging industry sector was also proposed as a possible **test bed for a project with a European dimension and new research into Corporate Social Innovation processes**, requiring the adoption of business practices and models that can create shared value.

www.eramiat.eu

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

The Associazione Amici del Museo del Patrimonio Industriale includes around 80 of the most important organizations in the area, mainly related to the packaging and mechanics sector. Its mission is to **strengthen the corporate culture and the deep bond between productive reality and the world of education**.

Also in 2015, 20 middle school classes in Bologna and its province took part in a project entitled **"Conscious Orientation"**, which aims to introduce new generations to the **technical culture and the business world**.

On April 15, 2015 an event called **"Andrea Romagnoli - The courage of innovation"** was organised, dedicated to **Andrea Romagnoli, one of the founders of IMA** and among the most important members of the first generation of technical entrepreneurs in the Bolognese packaging industry. During his career, Romagnoli was able to impose his machines on the international market thanks to the originality of their construction design and technical solutions.

www.amicidelmuseo.org





25%

of the electricity consumed comes from certified renewable resources

2,178

tonnes of CO₂ equivalent avoided through clean energy and energy efficiency initiatives



-6.34%
CO₂e emissions per sqm

The process has been initiated for **ISO 14001 CERTIFICATION** of the Environmental Management System



670,000 € of environmental expenditure and investment in 2015



IMA's score improved in 2015 as regards the disclosure of emissions for the **"Carbon Disclosure Project"**

Energy Diagnosis performed at major plants in Italy



-9% of waste produced in proportion to surface area

Surface area owned in 2015 **+10.8%** (compared with 2014)

Environmental Sustainability



Environmental management and risk management systems

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

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

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

This line of action also includes the path initiated by the Parent Company IMA S.p.A. for the certification of its **Environmental Management System** according to **ISO 14001**, the most accredited standard in the world. Certification of the registered office of the Parent Company IMA S.p.A. is expected to be received by the end of 2016.

IMA Group companies' environmental impact essentially consists in:

- **atmospheric emissions**
- **waste production**
- **effluents**
- **energy consumption**

As regards these impacts, we would like to emphasize that IMA fully complies with the regulations in the way that they are handled, as each Group company has all of the required authorisations from the competent authorities.

To a lesser extent, as potentially arising from work performed within an industrial plant, IMA also takes into consideration **acoustic** and **electromagnetic pollution** of the surrounding environment. Following assessments and instrumental measurements conducted periodically at the Group's main plants, we can confirm that these impacts are **essentially non-existent** (i.e. not only fully complying with current legislation, but also with the quality targets set by regulations for the protection of any civilians living near industrial sites).

Lastly, another type of environmental impact that IMA monitors is that relating to **transport** and **logistics**, estimating the direct and indirect emissions of CO₂e (a total of 8,412 tonnes in 2015) derived from:

- use of company cars (*Scope 1 emissions*);
- employee mobility to and from work (*Scope 3*);
- air travel by employees (*Scope 3*).

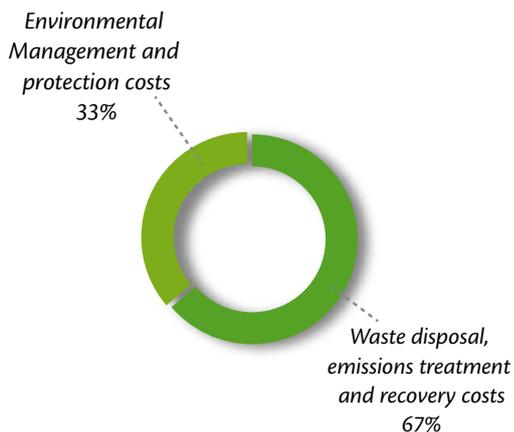
IMA continued to make **significant environmental investments** in 2015 as well.

The main activities being financed include:

- new centralised vacuum system;
- installation of photovoltaic plant with 155 kilowatts peak power;
- training for staff on environmental issues.



ENVIRONMENTAL EXPENDITURE AND INVESTMENT (€ 670,000 in 2015)



Company	No. of offices and plants
IMA S.p.A.	17
GIMA S.p.A.	3
Corazza S.p.A.	1
GIMA TT S.p.A.	1
Revisioni Industriali S.r.l.	1
Co.ma.di.s. S.p.A.	1
ILAPAK Italia S.p.A.	2
Fillshape S.r.l.	1
Pharmasiena Service S.r.l.	1
Tecnoweb S.r.l.	1
G.S. Coating Technologies S.r.l.	1
Total	30

> Methodological note: IMA's growth and consumption reduction

The scope of the data presented refers to all Italian companies of the IMA Group, which are either wholly-owned or controlled by IMA S.p.A.: compared with the previous edition, new companies acquired or set up in 2015 (for example, G.S. Coating Technologies S.r.l. and Tecnoweb S.r.l.) have been added, as have the new production units opened by IMA S.p.A. during the year. The number of locations and production sites has risen to a total of 30.

The environmental data reported here reflect the higher production volumes that have characterised the last three years, thanks to an actual increase in orders and sales, as well as the change in the Group scope as a result of new acquisitions. The main trends are shown in the following graphs: to make business performances comparable, the consumption and use of environmental resources are shown in proportion to the surface areas of offices and plants, in order to obtain "intensity" indicators.

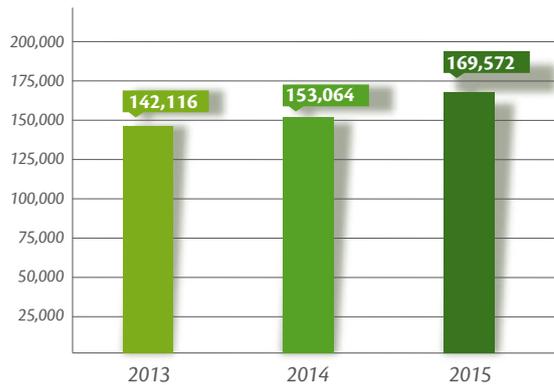
In the 12 months to 31/12/2015, the surface area increased by approximately 11%, coming close to 170,000 square metres.

IMA's growth trend	% Change		
	2014-13	2015-14	2015-13
Area (sqm)	+8%	+11%	+19%
Sales (mn €)	+12%	+30%	+46%
Employees (no. at 31/12)	+8%	+6%	+15%

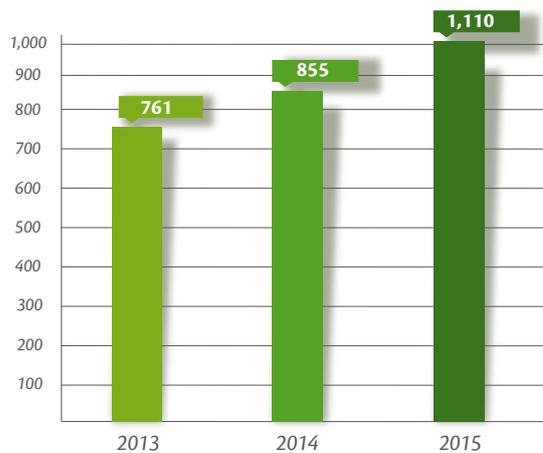


IMA'S GROWTH

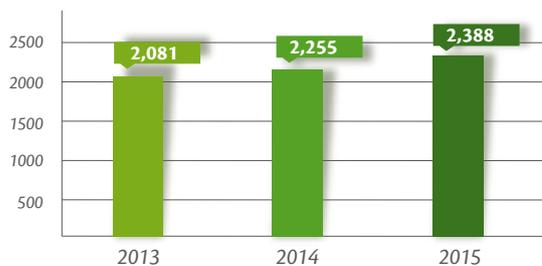
AREA (sqm)



SALES (mn €)



EMPLOYEES (No. at 31/12)



Carbon footprint and emissions management

All atmospheric emissions arising from plants within the production sites of the IMA Group are authorized under existing legislation. **Self-control chemical analyses** are performed annually by independent external laboratories to verify compliance with the emission limits. The results of this self-monitoring are recorded in special stamped registers which are at the disposal of the competent control authorities (ARPA - Regional Agency for Prevention, Environment and Energy of Emilia-Romagna Region). All emission abatement/filtration systems at the service of these plants are the subject of periodic maintenance and cleaning, so that they are always in a state of efficiency. It can be considered that IMA Group's plant emissions produce a **low level of pollution**: the pollutants generally consist of particulate and oil mist (which are filtered and abated several times before emission). The limits set by the current regulations and authorizations have never been exceeded.

To develop its commitment with regard to direct and indirect emissions and gradually reduce them over time, from 2012 IMA joined the **Supply Chain Programme of the Carbon Disclosure Project** and the **main programme of the same project** from 2014 (see box). The Programme, which is aimed at companies, provides for the implementation of strategies designed to gradually reduce emissions, also involving partners along the supply chain, and to manage environmental risks associated with climate change.



Every year companies participating in the main programme of the CDP undertake to **report their emissions** (calculated in terms of emissions of carbon dioxide equivalent (or CO₂e) in order to monitor them and, if possible, establish a **plan to reduce them over time**: the reported data **are made public by the CDP**, available to international investors, in order to guide their investment decisions towards companies that have a profile that is more sustainable for the environment.

In 2015, **IMA S.p.A. improved its rating from 61 (2014) to 90 (2015)**, out of a maximum CDP score of 100 points. IMA S.p.A. has already won a prize as the “Best Newcomer”, in 2014: of the Italian listed companies that joined the main programme of the CDP for the first time, IMA got the highest score in terms of transparency and commitment to reducing its emissions.

As indicated above, since 2014 IMA has been publishing its data in the **“CDP” section of the website dedicated to investors**, making them freely available to a wider audience.

Carbon Disclosure Project (CDP)

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

There are thousands of organizations in high development countries that recognize their emissions of greenhouse gases and analyse the risks and opportunities related to climate change through CDP. In 2015, as in 2014, IMA joined **two important initiatives** promoted by CDP:

- for the fourth year running, as a supplier of multinational companies that are members of CDP, IMA took part in the **CDP’s supply chain programme**;
- for the second year running, IMA participated as a listed company in **CDP’s climate change programme**.

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

The direct emissions (Scope 1)

from operating the plant and equipment owned by the Company, such as thermal plants (natural gas consumption), plants using diesel fuel, company cars, air-conditioning systems.

The indirect emissions (Scope 2)

from consumption by all plants of externally supplied energy (electricity).

The indirect emissions (Scope 3)

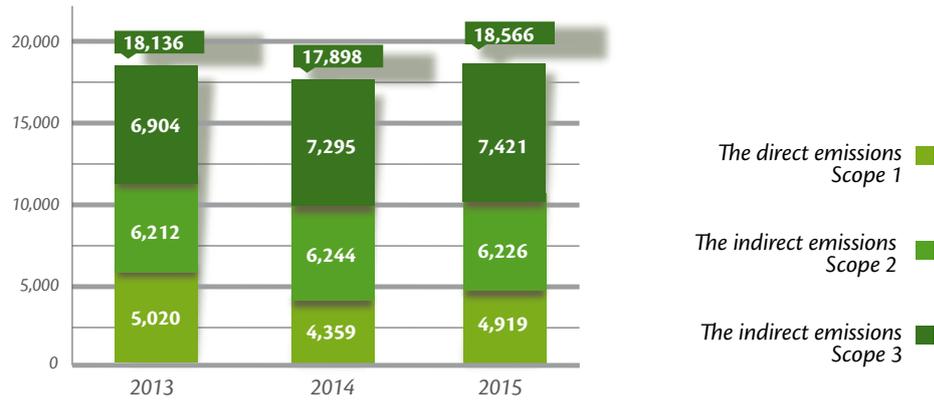
not resulting from energy consumption, but attributable, for example, to the production of waste, employee mobility (i.e. transport to and from work) or air travel by employees.

Thanks to the measurement of emissions, **IMA formulated an Improvement Plan** designed to hold down and then reduce emissions. Various interventions have already been implemented, while others have been programmed as part of a five-year reduction plan.

Again in 2015, the largest plant (which alone occupies 20% of the total surface area), i.e. the registered office of the Parent Company IMA S.p.A., was supplied with **electricity derived exclusively from certified renewable sources**: every year, this saves about 2,000 tonnes of CO₂ equivalent as indirect emission.



TREND IN IMA'S CARBON FOOTPRINT (tonnes OF CO₂e)



NOTE: Compared with the previous version of the Sustainability Report, in 2015, the calculation criteria and conversion factors used have been updated, so the prior-year figures have been restated on the same basis. In particular, Scope 2 emissions were calculated in accordance with the **Location-based method** envisaged in the "GHG Protocol Scope 2 Guidance - An amendment to the GHG Protocol Corporate Standard" (2015).

	2013	2014	2015
DIRECT EMISSIONS - SCOPE 1			
natural gas consumption emissions	3,917	3,089	3,500
diesel consumption emissions	2	2	1
company car petrol consumption emissions	924	994	1,108
air conditioning/refrigeration emissions	177	274	310
TOTAL SCOPE 1	5,020	4,359	4,919
INDIRECT EMISSIONS - SCOPE 2			
electricity consumption emissions	6,212	6,244	6,226
TOTAL SCOPE 2	6,212	6,244	6,226
SCOPE 1-2 EMISSIONS tonnes of CO₂e	11,232	10,603	11,145
INDIRECT EMISSIONS - SCOPE 3			
employee air travel emissions	4,123	4,628	4,532
company car petrol consumption emissions	2,712	2,592	2,772
waste production and disposal emissions	69	75	117
TOTAL SCOPE 3 per year	6,904	7,295	7,421
TOTAL EMISSIONS tonnes CO₂e	18,136	17,898	18,566



Total emissions have increased by 3.7% in absolute terms compared with 2014; Scope 1 and Scope 2 emissions by 5.1%. Despite this, **emissions per sqm** of surface area (increased by 11% compared with 12 months ago) have **decreased by 6.34%**.

The total emission reduction results show that in 2015 IMA managed to avoid emitting about 2,178 tonnes of CO₂ equivalent.

This trend is also confirmed based on other units of measure (turnover, days worked).

Related emissions compared with the surface area of IMA's offices/plants - Tonnes of CO ₂ e/sqm	2013	2014	2015	% Change 2015-14
DIRECT EMISSIONS - SCOPE 1	0.0353	0.0284	0.0290	+2.15%
INDIRECT EMISSIONS - SCOPE 2	0.0437	0.0408	0.0367	-10.01%
INDIRECT EMISSIONS - SCOPE 3	0.0486	0.0477	0.0438	-8.26%
TOTAL EMISSIONS (tonnes of CO₂e/sqm)	0.1276	0.1169	0.1095	-6.34%

Initiatives to reduce greenhouse gas emissions and results achieved

In 2015, IMA implemented **several specific initiatives to reduce greenhouse gas emissions:**

- purchase of electricity from renewable sources for the head office. Presence of **GO certificates** = savings in terms of CO₂ equivalent to 2,126 tonnes CO₂e;
- replacement of incandescent lamps/neon with **LED lamps** at the production departments of the central plant with a saving in terms of CO₂ of 29.3 tonnes CO₂e;
- use of systems of **management and monitoring** centralized systems at major production facilities (setting start and stop times, efficiency, etc.) with savings in terms of CO₂ of 15.7 tonnes of CO₂e.

Other emissions

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



Energy management

Energy management is a key area to reduce direct and indirect emissions and achieve cost savings at the same time: which is why IMA makes particular efforts to optimize consumption. To this end, several **energy audits** (see box) 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 the electricity consumed by the production plants).

Energy diagnosis

Pursuant to the provisions of art. 8 of Legislative Decree 102/2014 (Transposition of EU Directive 27/2012, obligations for Energy Efficiency), IMA S.p.A., falling within the scope of the legislation as a "Large Company," appointed EScO (Energy Service Company), UNI CEI 11352 certified, to carry out an **Energy diagnosis at the main production sites** through its E.G.E. qualified technicians (Expert in Energy Management UNI CEI 11339 certified).

In accordance with the Guidelines issued by ENEA (Italian National Agency for New Technologies, Energy and Sustainable Economic Development), all plants of the IMA Group were taken into account (not only those included in the scope of this Report, but also the production units of companies owned by the Parent Company IMA S.p.A. with percentages ranging from 20% and 49%); a "clustering" was carried out, proportionally identifying the sites for which a specific Energy Diagnosis should be implemented.

The object of the Energy Diagnosis is to get **in-depth knowledge of the effective energy behaviour (and consumption)** of the entity under review in order to identify the most effective amendments of such behaviour to achieve the following objectives:

- improve energy efficiency;
- reduce costs for energy supplies;
- improve environmental sustainability in the choice and use of such sources;
- possibly redevelop the energy system.

Specifically, the Diagnosis covered the two main production facilities of IMA S.p.A. and made it possible to identify **several potential interventions to improve energy efficiency** in future years.

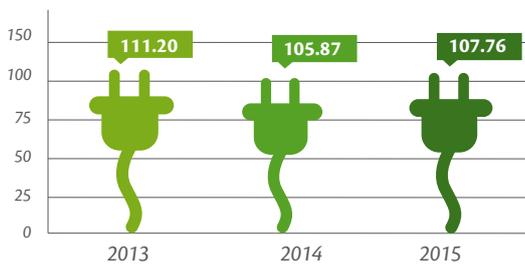
There are various ways of reducing energy consumption, ranging from the adoption of responsible behaviour on the part of personnel (employees are invited to turn off their computer screens at the end of the day), to investment in low energy lighting, the implementation at the production plants of centralized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



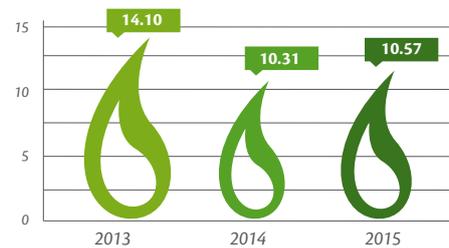
SUMMARY OF THE THREE-YEAR TREND IN CONSUMPTION

	2013	2014	2015	% change 2015-2014
Electricity kWh/year	15,802,829	16,204,976	18,273,279	12.76%
Natural gas cm/year	2,003,476	1,578,523	1,792,032	13.53%

ELECTRICITY CONSUMPTION/tot sqm (kWh/year per sqm)



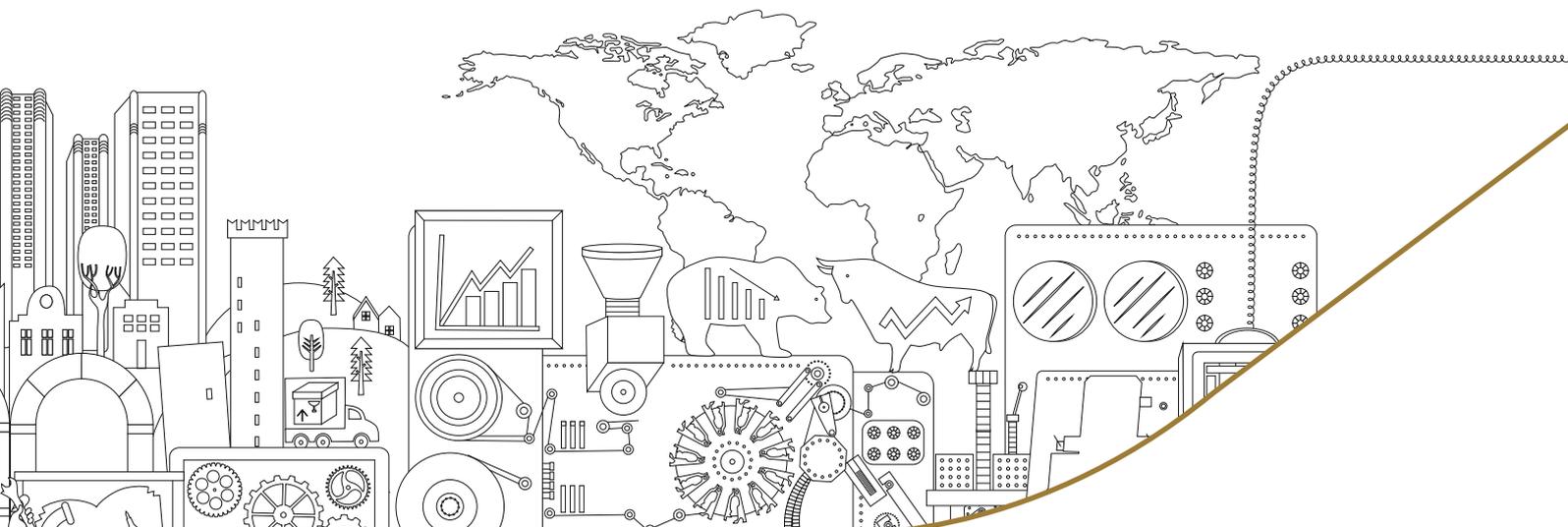
CONSUMPTION OF NATURAL GAS/tot sqm (cm/year per sqm)



During the last year, there was an **increase in the electricity consumption** by companies of the IMA Group (+12.76%). The figure still represents a positive indicator of the results achieved in terms of reducing electricity consumption, given that, **at the same time, there was a further expansion in the number of industrial plants** of the Group, which in 2015 also recorded a sharp increase in terms of revenues, personnel and production areas. Comparing IMA's electricity consumption to the surface area that it has in Italy, it can be seen that in fact **this increase is much less marked** (compared with about 106 kWh/sqm in 2014, rising to 107 kWh/sqm in 2015).

It should also be noted that about **25% of the total electricity consumed** comes from **renewables**: also for 2015, IMA continued to purchase **electricity from renewable sources** (at a slightly higher cost), confirming the attention paid by the company to this issue.

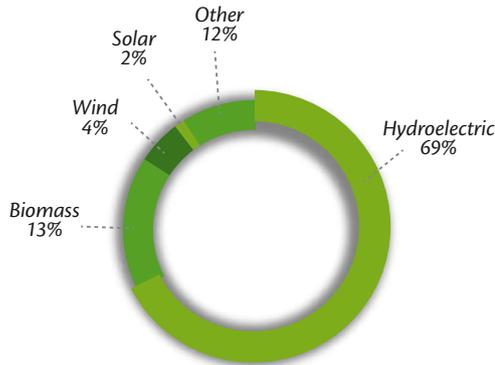
Total gas consumption also increased (+13.53%): the increase is due firstly to a less mild winter than in 2014.



INVESTMENTS IN ENERGY EFFICIENCY AND THE USE OF CLEAN ENERGY

In order to reduce the impact on the environment, thanks to a special agreement with the supplier, IMA continued to procure **100% of the electricity** used at its **largest site**, i.e. the registered office of the Parent Company IMA S.p.A. (Via Emilia 428/442, Ozzano dell'Emilia) **exclusively from renewable sources**. Out of a total of over 4,892 mWh, renewable sources of energy included:

BREAKDOWN OF ENERGY SUPPLY BY TYPE OF RENEWABLE SOURCE



This source of green energy is certified by appropriate GO (Guarantee of Origin certificates) issued by the entity that supplies electricity to IMA.

Production of electricity from photovoltaic plants

September 2015 saw the start of operations of the photovoltaic system installed on the roof of the building as an extension of the plant in Via Emilia 428/442, Ozzano, which was also inaugurated in 2015. The plant, which has a capacity of 155 kWp, made it possible to produce 101,784 kWh during the remainder of the year.

In addition, the acquisition of G.S. Coating Technologies S.r.l. allowed IMA to exploit its photovoltaic system placed on the main production site, with a capacity of 70 kWp, which produced 69,342 kWh of electricity during the year.

Lastly, the photovoltaic system installed in 2014 at the plant of Revisioni Industriali S.r.l. in via Nobel 34, Ozzano dell'Emilia, with a capacity of 19.5 kWp, generated 26,369 kWh of electricity.

LED lighting

During 2015, IMA gradually replaced its incandescent and fluorescent lamps in the production departments of its plant in Via Emilia 428-442, Ozzano, with more efficient LED lamps, with **annual savings** estimated at 106.1 mWh, **equal to 36.1 tonnes of CO₂e**.

An economic/financial assessment is currently in progress for the gradual replacement of existing lighting with new generation LEDs in all production departments of the buildings managed by the IMA Group, initially completing the interventions at the buildings in Via Emilia 428-442 and Via I° Maggio 14-16.

Centralized control and monitoring system

Thanks to the centralized control and monitoring system for heating and air conditioning, electricity generation and production of hot water and steam, only in the buildings located in via Emilia 428-442 and via I° Maggio 14-16, it was possible to handle any flaws in the system at operational level and good standards of conduct for the purpose of energy efficiency, with savings put at 46,169 kWh, equivalent to 15.7 tonnes of CO₂e.

Other energy efficiency measures being assessed from an economic and financial point of view, already planned for the coming years or still being implemented, concern:

- the replacement of the old generation compressors with **new inverter compressors** able to improve efficiency and hence power consumption, even at partial loads;
- the installation of **solar thermal collectors** to reduce natural gas consumption;
- **compliance with eco-sustainability techniques** for new buildings or buildings under renovation and expansion (double glazing, intramural insulation coating, efficient systems for heat generation or for summer cooling) to reduce their energy requirement;
- legislative compliance with the minimum limit for the reactive power factor using the **installation of power factor correction capacitors**, starting with the main utilities;
- legislative compliance for the respect, in the case of renovations or new buildings, of the minimum amount of energy requirements covered by **self-production from renewable sources**.



Water procurement and discharges

In addition to normal consumption for sanitary use, the IMA production cycle requires water for technological purposes for testing assembled automatic machines (including subsequent washing cycles). It is therefore of interest for the company to develop strategies in the future for the re-use and recovery of such water, which would result in lower consumption and costs, as part of the Environmental Management System that is currently being implemented.

Water is sourced from the municipal water supply (used for over 98% of the requirement) as regards the water used for sanitary purposes and production processes (washing automatic machines, testing the machines with demineralized water, washing them after testing with trial products). On the other hand, water drawn from underground wells, if available, is used for watering greenery at the plants.

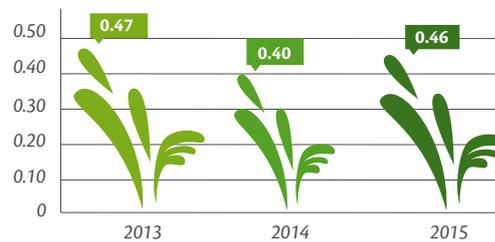
Compared with 2014, water consumption rose in absolute terms (+28.34%), also due to the increase in the surface area of the plants (+11%) and the number of employees (+6%). In relative terms, **per capita consumption per employee is back at around 32 cubic metres/year**, as in 2013, compared with 27 cubic metres/year in 2014.

We also have to consider that total water consumption in 2015 was also affected by losses in the transportation network and building activities of major importance at the plant in Via Emilia 428/442, Ozzano, which both increased consumption.

Effluents from IMA's plants (toilets and canteens) are similar to domestic ones. Other effluents derive from rainwater washing the courtyards of the production facilities.

These effluents are **collected mainly in public sewers or drains** for the drainage of rainwater into surface water bodies, in accordance with local regulations. Any **liquid effluent** originating from the Company's production activities is **collected and stored as waste** before being disposed of according to the law, preferably in purification facilities.

WATER CONSUMPTION (cm/year per sqm)



SUMMARY OF THE THREE-YEAR TREND IN CONSUMPTION

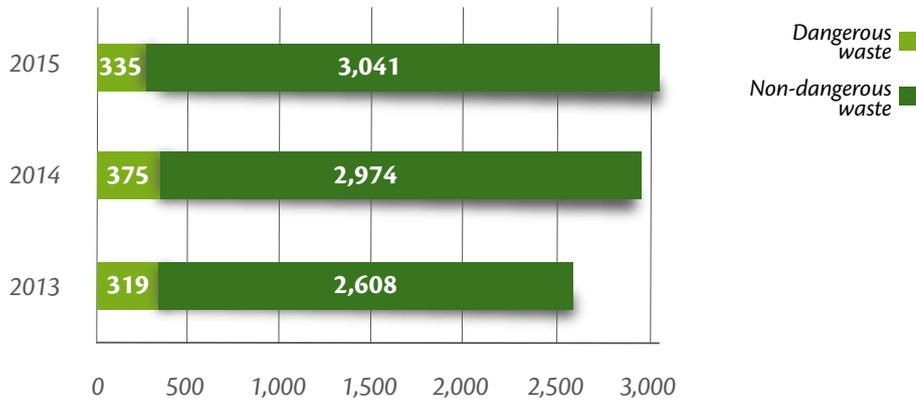
	2013	2014	2015	% change 2015-2014
Water m ³ /year	67,004	61,081	78,391.98	+28.34%
M ³ /year per m ²	0.47	0.40	0.46	+15%

With reference to water recycling and reuse, the only opportunity identified was implemented at the Ozzano plant, where **the new extension built in 2015 is equipped with a rainwater collection system**, which is used for irrigation purposes.



Waste management

TOTAL WASTE PRODUCED (tonnes)



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

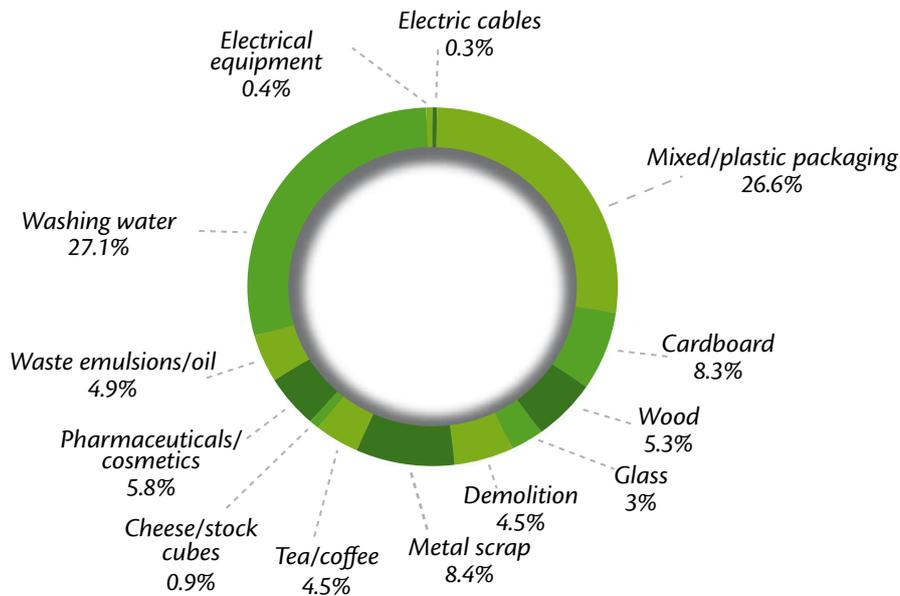
Lastly, as regards **liquid waste** (which is in any case disposed of safely, so not discarded), IMA's plants produce waste in the form of oily emulsions and used mineral oils generated by maintenance activities on workshop machine tools and on automatic machines being assembled

and tested. In addition to these, other types of liquid waste produced are the water solutions, resulting from washing automatic machines after testing with the products to be packaged and with demineralized water.

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



TYPE OF WASTE GENERATED IN 2015 (% tonnes)



Against an overall 0.84% increase in waste generated in 2015 compared with 2014, the production of waste in relation to surface area decreased by 9%.

SUMMARY OF THE THREE-YEAR TREND IN WASTE

	2013	2014	2015	Δ 2015/2014
Tonnes/year	2,927	3,348	3,376	+0.84%
Kg/year per sqm	20.59	21.88	19.91	-9%

60.38% of the waste products produced by IMA in 2015 are recycled (mixed packaging, paper/cardboard, wood, glass, mineral oil, metal scrap, obsolete electrical equipment), whereas only a minor portion (less than 2%) goes into landfills (only filter bags for tea and other herbal blends used for testing the tea-bag packaging machines). In 2015, about 5% of waste was sent to an incinerator: this includes residues from testing packaging machines (for packaged drugs and cosmetics), which were sent to

a storage centre that carries out a preliminary treatment on them, which makes it possible to implement energy recovery.

Again in 2015, there were no spills or discharges of waste water containing chemicals, waste or fuels, reflecting successful implementation of the procedures that constitute the Company's Environmental Management System and the training and care of staff.



IMA group around the world: sustainability practices at the production companies

Starting from this edition of the Sustainability Report, IMA has decided to present the main sustainability performances in 2015 of all the **production companies of the Group**, which, while born in Italy, has grown thanks to acquisitions and integrations of other production experiences on various continents.

The aim is to gradually establish an integrated reporting process capable of reporting strategies, actions and achievements at global level in a more and more comprehensive way, with reference to issues such as Governance, Ethics, Economic Performance, Environmental Sustainability and Social Responsibility, in the same way that the Italian Group companies do.

IMA's commitment is based on a systemic and comprehensive vision of how to develop the business internationally: for this reason, the sustainability strategy of the parent company in Bologna will be shared more and more with management of all the Group's entities around the world, which will in any case continue to be characterized by their own history and know-how. In compliance with the above and within the managerial responsibility that the IMA Group allows them, the parent company is engaged in a constant search for the best possible synergies, also in terms of sustainability, which is increasingly the result of integrations between parties.

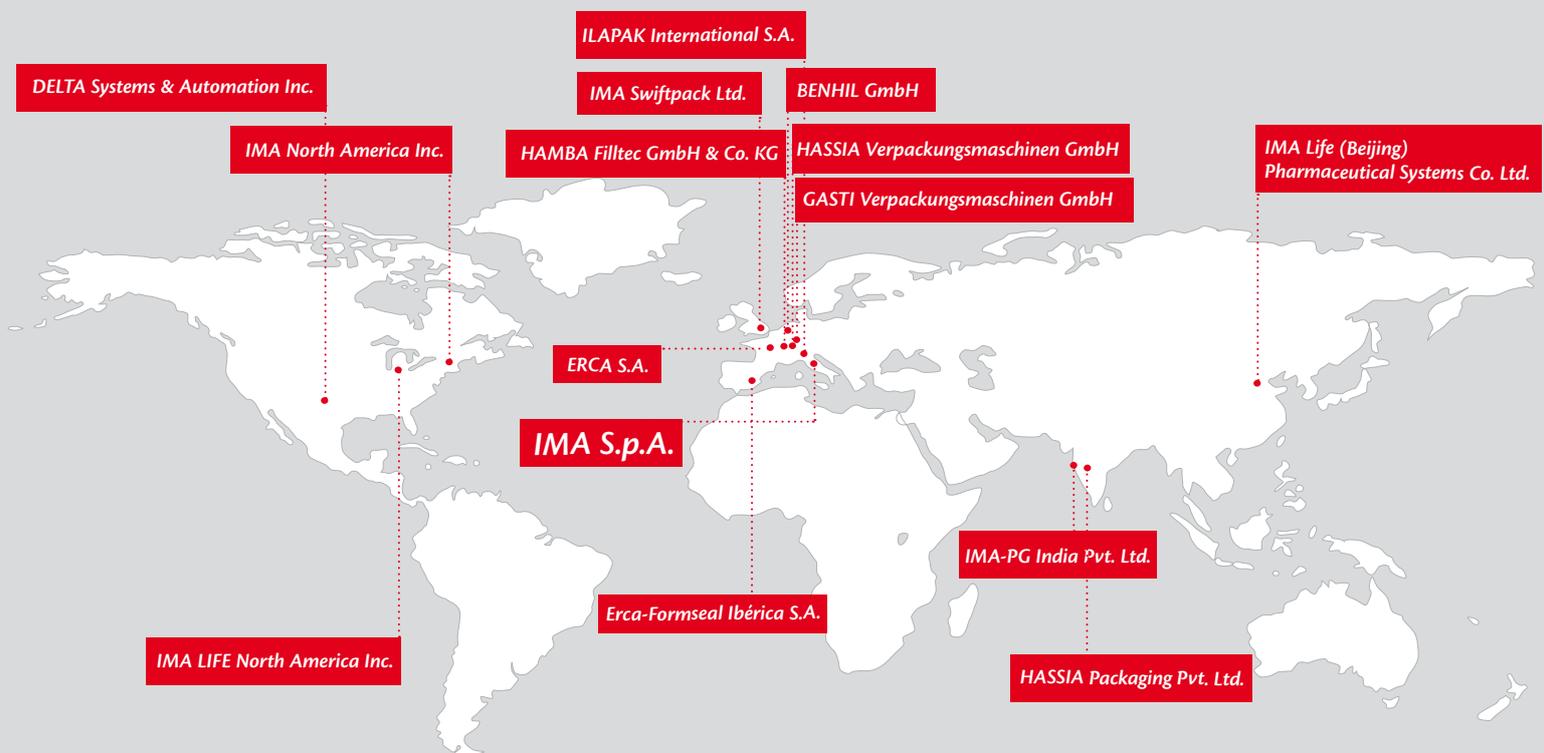
This section of the Sustainability Report presents the **results of the first cycle of data collection** on the sustainability performances of **14 production companies** selected on the basis of their turnover within the Group and geographical position. What emerges is a rich and varied picture, which testifies to the ability of IMA's management to manage the business efficiently and profitably, while also taking into account the constraints required for social and environmental balance.



IMA's production companies in the global panorama

The companies of the IMA Group involved in the reporting process are located in **8 countries** and 3 continents: **Germany, France, Switzerland, Spain, UK, USA, India and China.**

14 production companies took part in this edition of the Report and they represent a significant proportion of the Group's activities at a global level.



Governance and economic performances

Governance and business ethics

In addition to applying the Group's Code of Ethics, some of the companies in Germany, India, China and the USA adopt their own Code of Conduct or Code of Ethics.

As regards control over sustainability, some companies entrusted the role of Head of Sustainability to a team or a corporate figure, such as the CSR Committee in India or the Operations Manager in North America.

In France, Spain and India, sustainability information is also included in the annual report.

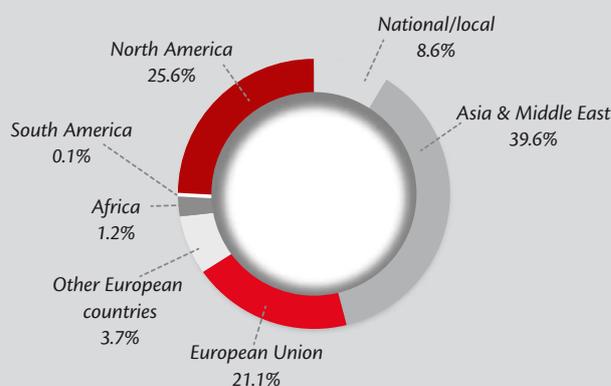
The companies in these various countries have a series of instruments to ensure fulfilment of the relevant anti-corruption regulations. In the UK, for example, the Group company makes use of a law firm, whereas in India there are specific guidelines in the Human Resources Manual, which provide for severe penalties in the event of proven corrupt practices to protect the company's interests and the ethical profile of the human resources involved.

The good economic performances reflected in the operating results at consolidated level (see Chapter on Economic Sustainability) are based on the Group's great skill in ensuring **end-user satisfaction**, which is pursued through constant attention to product quality, a widespread geographical presence and systems of after-sales assistance and listening to customers.

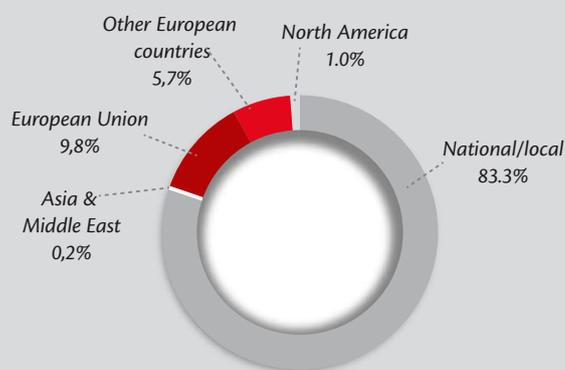
The turnover of the companies being considered here is mainly spread over Asia and the Middle East, North America and the European Union.

As for purchases, **83.3% of supplies** come from the same countries in which companies operate; in other words, giving preference to **local suppliers**.

COMPANIES' TURNOVER BY GEOGRAPHICAL AREA



TURNOVER FOR SUPPLIERS OF COMPANIES IN THE SAME GEOGRAPHICAL AREA



Listening to customers and customer satisfaction

Listening to customers is important for all Group companies that have developed appropriate systems for listening to customers and carrying out surveys of their satisfaction.

In Germany, specific questionnaires are targeted at customers and communication activities take place mainly by e-mail and telephone.

A Customer Relationship Management system for listening to customers has been set up in India; a satisfaction questionnaire is also sent out at three separate moments of the project, from development to start-up of the machine.

In Switzerland, an online questionnaire is sent after each service call: 252 questionnaires completed in 2015 showed an excellent average result of 8 points on a scale of 0 to 10.

There are special channels for listening also in North America (feedback from 79 customers), UK and China.

Handling complaints

The systems for receiving and resolving complaints are carefully designed and managed.

In Germany, for example, 50 complaints were received in 2015, of which 37 were resolved by the end of the year. In France and India, 80% and 93% respectively of the complaints received in 2015 have been resolved. In the UK, the after-sales department deals with complaints and organises a monthly meeting to review all of the matters that have been reported.

Human capital

The IMA Group's production companies promote a **culture of quality** through corporate systems oriented towards employee well-being and professional development, in addition to ensuring safety in the workplace.

Human resources

All the companies being considered here invest in their own resources, guaranteeing and protecting the value of their talents.

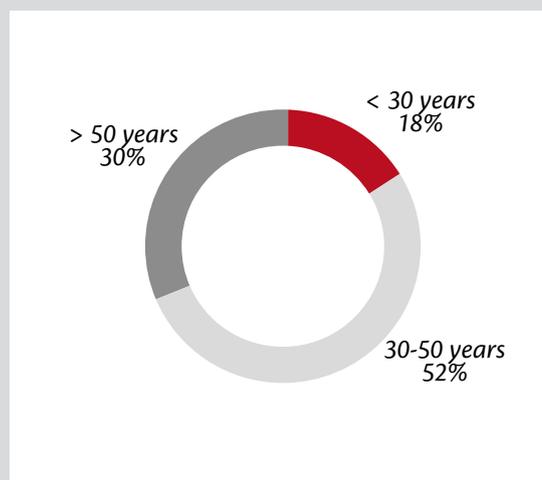
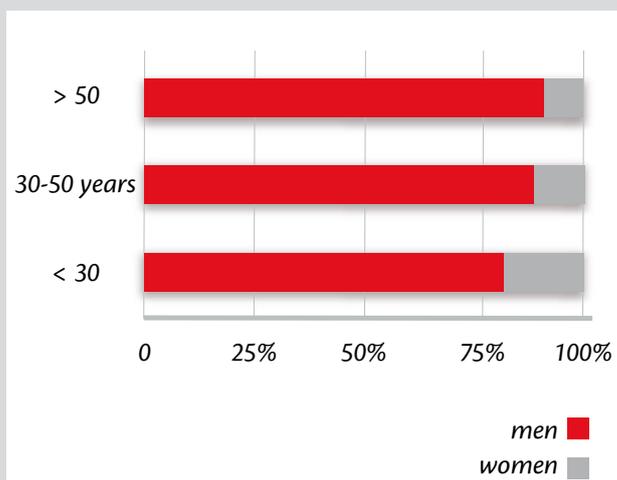
The two categories of workers most represented are office workers, who make up almost half of the workforce, and production workers, who form more than 30% of all employees. The majority of the people employed by these companies are male, in line with the figures for the entire Group.



DISTRIBUTION OF THE WORKFORCE BY GRADE

CATEGORY	MEN	WOMEN	TOTAL	%
Managers	67	2	69	3.8%
Middle managers	222	19	241	13.1%
Office workers	692	218	910	49.4%
Production workers	616	5	621	33.7%
Total	1,597	244	1,841	100%

DISTRIBUTION OF THE WORKFORCE BY AGE AND GENDER



In line with the business strategy, the majority of contracts (98.3%) are permanent and full-time

(97.0%), in order to create stable employment in the communities where IMA operates.

DISTRIBUTION OF THE WORKFORCE BY TYPE OF CONTRACT

TYPE OF CONTRACT	MEN	WOMEN	TOTAL	%
Permanent contract	1,575	234	1,809	98.3%
Fixed-term contract	22	10	32	1.7%
Total	1,597	244	1,841	100%

TYPE OF CONTRACT	MEN	WOMEN	TOTAL	%
Full time	1,583	202	1,785	97.0%
Part time	14	42	56	3.0%
Total	1,597	244	1,841	100%



As regards **new hires**, these account for **10.5%**, slightly higher than at the Group's Italian companies, reflecting continued growth in all of the other companies making up the Group. The age ranges most involved in hiring are those below the age of 30 and up to 50. Resignations, on

the other hand, come to 8.3%: this means that there is **a positive balance** between the new employees who joined the company in 2015 (134) and those who left (117).

TURNOVER AT DECEMBER 31/2015*

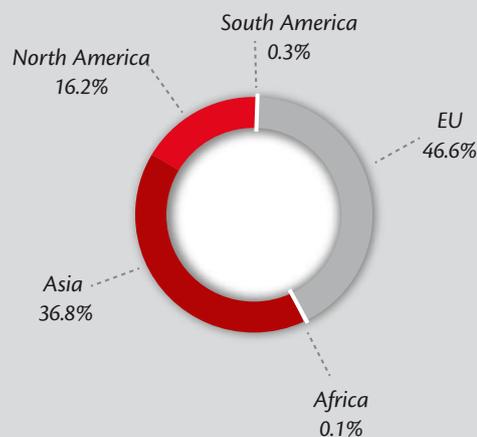
NUMBER OF NEW HIRES			HIRING RATE		
NEW HIRES	MEN	WOMEN	MEN	WOMEN	TOTAL
<30 years	61	18	24.7%	37.5%	26.8%
30-50 years	65	11	8.9%	9.9%	9.0%
> 50 years	12	3	2.8%	7.0%	3.1%
Total	138	32	Average 9.8%	15.8%	10.5%

NUMBER OF RESIGNATIONS			STAFF TURNOVER		
RESIGNATIONS	MEN	WOMEN	MEN	WOMEN	TOTAL
< 30 years	28	9	11.3%	18.8%	12.5%
30-50 years	46	12	6.3%	10.8%	6.9%
> 50 years	34	5	7.8%	11.6%	8.2%
Total	108	26	Average 7.6%	1.4%	8.3%

* The figures include 12 of the 14 companies involved in the questionnaire.

The high diversity and enhancement of local talent is reflected in the different nationalities working for the Group. The three main macro-groups originate from Eu-

rope (46.6%), Asia (36.8%) and North America (16.2%), for a total of **24 countries**.



Employee benefits

In line with the Italian Group companies, the companies being considered here also provide several benefits for their employees.

In India, there is a shuttle service from the train station to the factory; loans are offered to support the education of employees' children; fruit and other products grown on company land are sold at reasonable prices; lastly, career planning days are organised for employees' children.

Also in China, a shuttle service has been activated and additional pay is guaranteed for festivities.

Flexible hours that allow employees to reconcile their life and work better have recently been introduced in the UK.

In France, the company helps with kindergarten costs for employees' children, while in Germany there are subsidies for meals and personal protective equipment.

In the UK, all employees are involved in training activities on health and safety and relevant issues according to the departments that they belong to.

Lastly, in North America, training issues included safety in the workplace, good manufacturing practices and training in the use of SAP.

CORPORATE TRAINING *

	2015	
	NO. OF HOURS	NO. OF PARTICIPANTS
Managers	684	36
Middle managers	4,949	206
Office workers	7,976	570
Production workers	7,642	420
TOTAL	21,251	1,232

* The figures concern 13 of the 14 companies taken into consideration.

Overall, more than 1,200 employees have been involved in corporate training activities and around 33% of them have been trained on human rights issues, for a total of **859 hours**.

Training

There are several initiatives to increase and improve training and professional development of the people working for IMA.

In Germany, some of the many training activities focused on the topic of lean production, managerial development and training in technical, product and sales force skills.

In Switzerland, training courses are organised regularly on a quarterly basis for both engineers (technical innovations of the machines under production) and the accounting team (IFRS Principles).

In China, training focused on learning English, due diligence and training for customers.



Local recruitment and personnel selection

The procedures for the search and selection of human resources have been consolidated over time and basically there is a preference for people who are part of the local community.

In North America and the UK, the recruiting process is entrusted to external companies.

In China, the Human Resource department searches for the required talents through the Internet and within the company: in one of the Chinese companies, about 40% of senior management comes from the local community. In India, the selection of personnel is directed exclusively to the local community with a view to creating and distributing value within the same area.

In Switzerland, all senior managers come from the local community (including Italy).

Lastly, in Germany, once the budget for hiring a new resource has been approved, the personnel selection process looks both internally and externally.

Equal opportunities

As regards equal opportunities, it has emerged that the ratio between the average salary of women to that of men in the most representative category (office workers) is about 0.7 (data relating to 13 companies out of 14).

24 employees (9 men and 15 women) benefited from parental leave during 2015; most of them returned to the company at the end of their leave.

PARENTAL LEAVE

	MEN	WOMEN	TOTAL
Number of employees who took parental leave	9	15	24
Number of employees who returned to work after parental leave	7	15	22

The companies of the IMA Group also support the employment of personnel belonging to protected categories: in 2015, there were 45 employees with disabilities.

Active ageing

One of the IMA Group's German companies applies a system of successor planning to facilitate the succession of resources close to retirement. Also in Germany, other companies encourage education, promotion of talented youngsters and systems for the transfer of skills between resources. Partial retirement plans have also been agreed to support the transition of people approaching the end of their career.

In India, given the low average age of employees (33), programmes for retirement management and active ageing have not yet been implemented.



Health and Safety Community

Attention to health and safety practices in the workplace is also high in IMA's production companies.

In India, all employees receive a medical check-up and they are all provided with training on risk prevention.

Germany also has considerable resources set aside for training on health and safety; and internal managers are appointed to ensure that employees comply with safety regulations.

In North America, more than 450 hours of training on safety issues are provided every year. Courses are updated each year based on any new legislation that is applicable to the firm.

In the UK, advice on health and safety issues is delegated to an external entity, which carries out ongoing controls and provides for suitable training in the event of legislative updates.

There were around 67 accidents in the workplace, for a total of 230 working days lost.

The IMA Group's companies also promote good relations with the local community, organising outreach activities and supporting local initiatives.

In India, for example, in 2015 around \$8,000 dollars have been donated to various non-profit organisations involved in the promotion of education and the management of orphanages.

In North America, employees took part in volunteer activities at several local solidarity events and personally made donations to their chosen causes.

In the UK, events in the local community are supported if they are considered in line with corporate guidelines.

In China, support for the community has been directed at Shepherd's Field, an institution for the care of children with disabilities; funds have also been raised internally for allocation to rural areas.

Human rights

The IMA Group puts people at the centre of its corporate strategy: respect for human rights is a central theme that underlies all internal hierarchical relationships, in full application of the agreements between management and workers' representatives, and in relations with the outside world.

In the UK, all local suppliers receive regular visits to ensure their ethical and product sustainability.

In China, Group companies implement the legislation on human rights, including non-discrimination, child labour and the prevention of forced labour.

In North America, most of the supply chain for the companies in the United States and Canada is located within the two countries, where there is strict compliance with laws on the environment, security and human rights.

In India, a manual of "human resources policies" has been implemented, governing in detail corporate policies relating to human rights.

Lastly, the German companies, as well as the French and Spanish ones, use European suppliers who, in addition to meeting the strict European Union regulations, receive regular visits to check compliance.

HEALTH AND SAFETY 2015*

Number of days worked	1,277,487
Number of working hours	8,069,126
Number of deaths at work	0
Number of accidents	67
Total days lost due to accidents	230
Number of days lost due to occupational diseases	0

* The figures concern 12 of the 14 companies being analysed.



Environmental sustainability

In line with the Parent Company's environmental strategy, IMA's companies have also been involved in reducing their impact on the environment and minimizing consumption in the production process.

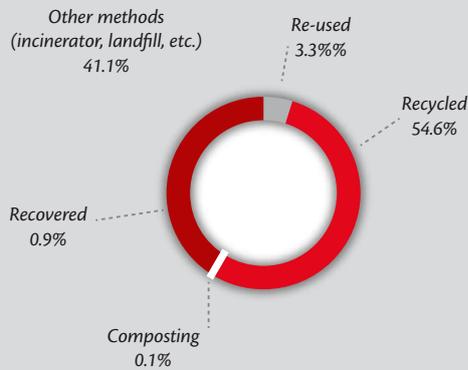
Waste and recycling

The companies in North America, Germany, Switzerland, France, China, India and Spain pay considerable attention to recycling (cardboard, paper, wood and waste oil), both in the offices and in the production facilities.

In India, in particular, the metallic waste produced by the plants is collected, sent to other companies and therefore re-used in their own products.

In total, in the course of 2015, more than half of the waste produced by the IMA Group's foreign companies went for recycling, about 40% for other disposal methods, and 3.3% for re-use.*

METHODS OF DISPOSAL OF WASTE MATERIALS BY THE COMPANIES



Water resources

Many Group companies apply systems for the reduction and/or recycling of water.

In Germany, for example, a company collects rain water and reuses it for flushing the toilets.

In China, in addition to recycling water, the times for watering green areas are kept to a minimum.

In India, a waste water treatment system has been installed to recycle water to irrigate the company's green areas.

Energy

Also with regard to energy consumption, the companies being considered here have launched programmes for the management and reduction of their consumption.

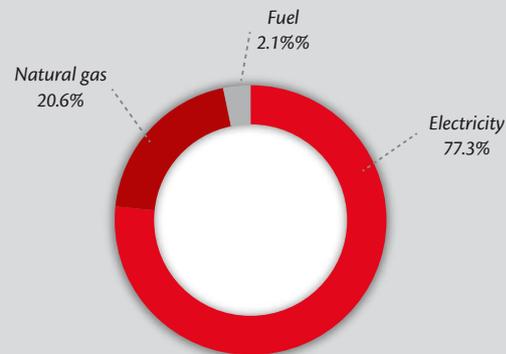
In France, a programme to reduce various types of consumption has been implemented, including energy consumption at the company's headquarters.

In North America, energy efficient lighting has been installed.

In China, lights in the offices have been replaced with energy-saving lamps and solar panels are used to produce hot water.

In India, besides installing energy-efficient lighting, the focus has been on reducing the energy consumption of products, developing machines with a design that allows them to use less energy.

DISTRIBUTION OF ENERGY CONSUMPTION BY COMPANIES



* The graph shows the figures for 10 of the 14 companies included in the questionnaire.



Tables of the GRI standard G-4

Limits of aspects of sustainability

The following table shows the scope of each material aspect that has been identified: the concept of scope refers to the limits within which each relevant issue has an impact, whether they occur **inside or outside IMA**.

MATERIAL ASPECTS		LIMITS (WHERE THE ISSUE HAS AN IMPACT)	
Category	Issues	Internal limits	External limits
GOVERNANCE	Ethics and Integrity Corporate Governance Regulatory compliance Risk Management Anti-corruption and fair competition Transparency Whistle-blowing mechanisms	IMA Group IMA Group IMA Group IMA Group IMA Group IMA Group IMA Group	
ECONOMIC	Economic growth Market presence Technological innovation, research and development Indirect economic impacts Procurement practices	IMA Group IMA Group IMA Group IMA Group IMA Group	Local community Supply chain
ENVIRONMENT	Energy Emissions and efficiency (Carbon footprint) Materials Waste Products and services Compliance with environmental regulations Water Environmental investments	IMA Group IMA Group IMA Group IMA Group IMA Group IMA Group IMA Group IMA Group	Local community
SOCIAL	Employment Diversity, Equal Opportunities and Non-discrimination Training and education Employee well-being Health and safety in the workplace Development of resources and skills Remuneration policies Industrial relations Local communities and territory (School, University and District) Human rights Health and safety of consumers Consumer privacy Quality and customer satisfaction	IMA Group IMA Group	Supply chain Local community Supply chain End users & consumers End users End users



GRI correlation table

The following table identifies the location of the information required by the GRI G4 guidelines, CORE level, indicating the page number where the subject is discussed.

Any notes placed under the GRI indicator indicate an additional comment or the fact that no information is available. Please note that the Social Responsibility Report has not been subjected to external verification.

CODE	DESCRIPTION OF THE INDICATOR	PAGE
STRATEGY AND ANALYSIS		
G4-1	Statement of the Managing Director and the Chairman on the importance of sustainability for the organization and its strategy	5
ORGANIZATIONAL PROFILE		
G4-3	Name of the organization	10
G4-4	Main trademarks, products and/or services	11
G4-5	Location of the organization's head office <i>Registered offices: Via Emilia, 428/442, 40064 Ozzano dell'Emilia (Bologna)</i>	-
G4-6	Number of countries where the organization operates	10
G4-7	Ownership structure and legal form	14-17
G4-8	Markets served	10-11, 37-40
G4-9	Size of the organization	30-31, 37-40, 61
G4-10	Number of employees by type of contract, region and gender	61-64
G4-11	Percentage of employees covered by collective bargaining agreements <i>Comment: all personnel are covered by national collective bargaining agreements</i>	-
G4-12	Description of the supply chain	51-27
G4-13	Significant changes during the reporting period. <i>Comment: there are no significant changes</i>	-
G4-14	Explanation of the application of the prudent approach	18
G4-15	Acceptance of codes of conduct	13, 84
G4-16	Membership of associations	84
MATERIAL ASPECTS AND SCOPE OF REPORTING		
G4-17	Elenco delle società incluse nel bilancio consolidato e indicazione delle società non comprese nel report	7
G4-18	Processo di definizione dei contenuti del bilancio	25-27
G4-19	Elenco degli aspetti identificati come materiali	25-27
G4-20	Indicazione del perimetro di consolidamento per ciascun aspetto materiale (all'interno dell'organizzazione)	Appendix:
G4-21	Indicazione del perimetro di consolidamento per ciascun aspetto materiale (all'esterno dell'organizzazione)	Appendix:



G4-22	Explanation of the effect of changes in the calculations <i>Comment: no changes</i>	-
G4-23	Significant changes compared with the previous reporting period <i>Comment: there are no significant changes</i>	-
INVOLVEMENT OF STAKEHOLDERS		
G4-24	List of stakeholder groups the organization tries to involve	24-26
G4-25	Basis for identification and selection of the main stakeholders to try to get involved	24-26
G4-26	Approach to stakeholder involvement, including frequency by type of activity and stakeholder group	24-26
G4-27	Key topics and concerns raised from stakeholders' involvement; description of how the organization responded to critical issues <i>Comment: IMA will report any information that is missing as from the next Report</i>	-
PROFILE OF THE REPORT		
G4-28	Reporting period	7
G4-29	Date of publication of the latest financial statements	7
G4-30	Reporting frequency	7
G4-31	Contact information for questions regarding the financial statements and their contents	120
G4-32	Indication of the "In accordance" option and GRI table of contents	7
G4-33	External assurance of the report <i>Comment: the report has not been subjected to external verification</i>	-
GOVERNANCE		
G4-34	Governance structure of the organization	14-16
ETHICS AND INTEGRITY		
G4-56	Mission, values, codes of conduct and principles	12-13
CATEGORY: ECONOMIC		
Economic performance		
DMA		30-36
G4-EC 1	Direct economic value generated and distributed	34-36
Market presence		
DMA		67
G4-EC 6	Proportion of senior managers recruited from the local community	19-20, 50-57, 75, 79-80
Indirect economic impacts		
DMA		50-57
G4-EC 8	Analysis and description of significant indirect economic impacts considering externalities generated	32
Procurement practices		
DMA		51-52
G4-EC 9	Proportion of spending concentrated on local suppliers in relation to key locations of operations	51-52



CATEGORY: ENVIRONMENT

Materials

DMA		50-51
G4-EN 1	Materials used by weight and volume <i>Comment: the figure is not yet available</i>	-

Energy

DMA		94-95
G4-EN3	Energy consumption within the organization	94-95
G4-EN5	Energy intensity ratio	94-95
G4-EN6	Reduction of energy consumption	94-95

Water

DMA		97
G4-EN8	Total water withdrawal by source	97
G4-EN9	Withdrawal sources significantly affected by water withdrawals	97

Biodiversity: non-material aspect

Emissions

DMA		
G4-EN15	Direct greenhouse gas emissions	90-91
G4-EN16	Indirect greenhouse gas emissions	92-93
G4-EN17	Other indirect greenhouse gas emissions	92-93
G4-EN18	GHG intensity ratio	92-93
G4-EN19	Reduction of greenhouse gas emissions	93-93

Waste

DMA		98-99
G4-EN23	Total weight of waste by type and disposal method	98-99
G4-EN24	Total number and volume of significant accidental losses	97
G4-EN25	Dangerous waste	98-99

Product and services

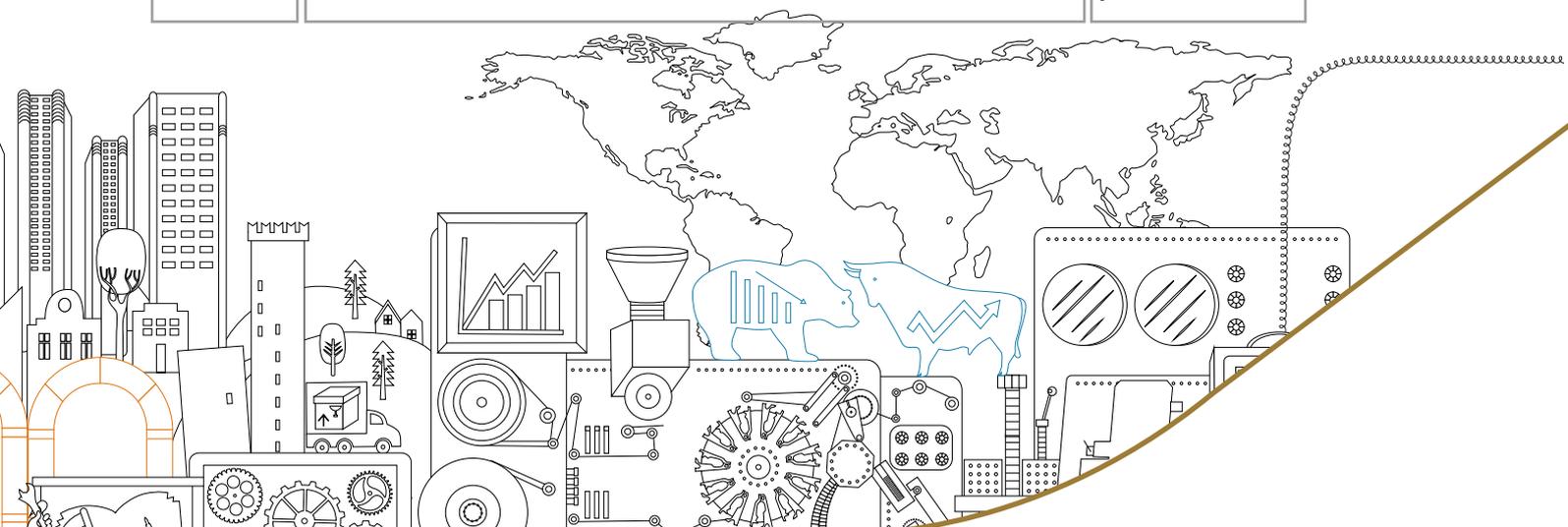
DMA		88-89
G4-EN27	Volume of reduction of the environmental impacts of products and services	88-89



Compliance		
DMA		88-89
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations <i>Comment: no sanctions, whether monetary or non-monetary</i>	-
Transport		
DMA		50-51
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's activities, and impact of employee mobility <i>Comment: the figure is not yet available</i>	-
General		
DMA		
G4-EN31	Total environmental expenditures and investments by type <i>Comment: the figure is not yet available</i>	88-89
Environmental assessment of suppliers		
DMA		50-52
G4-EN32	Percentage of new suppliers evaluated based on environmental criteria <i>Comment: IMA monitors strategic suppliers (where it has a shareholding) also on regulatory issues (e.g. health and safety). For other suppliers it has not yet initiated such programmes. In 2015 no specific assessments concerning the environment were carried out for new suppliers</i>	-
Mechanisms for handling complaints about environmental issues		
DMA		88-89
G4-EN34	Number of complaints about environmental impacts received, addressed and resolved through formal mechanisms for handling complaints. <i>Comment: none</i>	-
CATEGORY: SOCIAL		
LABOUR PRACTICES AND DECENT WORKING CONDITIONS		
Occupazione		
DMA		60
G4-LA1	Total number of hires and turnover rate by group of age, gender and region	65
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by main activity	73-74
G4-LA3	Return to work and rate of return as a result of parental leave	74
Work/industrial relations		
DMA		66-67
G4-LA4	Minimum notice period for operational changes, including whether the notice period is specified in national labour contracts <i>Comment: IMA adopts the provisions of the national labour contract that contains the definition of a minimum period of notice to personnel in the event of operational or organizational changes</i>	-



Health and safety at work		
DMA		68-69
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees	68-69
G4-LA6	Type of accident, accident rate, occupational diseases, lost work days and absenteeism and number of work-related fatalities by region and gender	68-69
G4-LA7	Workers with a high incidence or high risk of injury or occupational disease	69
Training and education		
DMA		70-71
G4-LA9	Average hours of training per employee per year, by gender and by category	70-71
G4-LA10	Programmes for skills management and continuous learning that support the ongoing employability of personnel and assist them in managing the end of their career	70-71
Diversity and equal opportunities		
DMA		15, 72
G4-LA12	Composition of governance bodies and breakdown of employees by category according to gender, age groups, membership in minority groups and other diversity indicators	15
Equal remuneration for men and women		
DMA		72
G4-LA13	Ratio between men and women's basic salary by grade and qualification <i>Comment: IMA will report any information that is missing as from the next Report</i>	-
Evaluation of suppliers on the basis of working policy and conditions		
DMA		50-52
G4-LA14	Percentage of new suppliers evaluated on the basis of work-related criteria <i>Comment: IMA monitors strategic suppliers (where it has a shareholding) also on regulatory issues (e.g. health and safety). For other suppliers it has not yet initiated such programmes. In 2015, no specific work-related assessments were carried out on new suppliers</i>	-
Mechanisms for complaints about working conditions		
DMA		66-67
G4-LA16	Number of complaints relating to the impacts on work received, addressed and resolved through formal mechanisms for handling complaints. <i>Comment: none</i>	-
HUMAN RIGHTS		
Capital expenditure		
DMA		12-13
G4-HR2	Total hours of employee training on policies and procedures concerning aspects of human rights relevant to operations, and percentage of workers trained <i>Comment: training on the Code of Ethics</i>	16
Capital expenditure		
G4-HR3		-



Non-discrimination		
DMA		73
G4-HR3	Total number of episodes involving discriminatory practices and action taken <i>Comment: no episodes</i>	-

Freedom of association and collective bargaining: non-material aspect for companies included in the scope of reporting

Child labour: non-material aspect for companies included in the scope of reporting

Forced labour: non-material aspect for companies included in the scope of reporting

Safety practices: non-material aspect for companies included in the scope of reporting

Rights of the local community: non-material aspect for companies included in the scope of reporting

Evaluation		
DMA		12-13
G4-HR9	Number and percentage of areas of operations subject to inspections concerning human rights <i>Comment: IMA S.p.A. has committed to comply with all local laws and obligations under the contract of employment or trade union agreements signed or any other commitments made by the company with regard to respect for human rights. In this regard, checks have never shown evidence of violation</i>	-

Evaluation of suppliers on the basis of human rights

DMA		50-52
G4-HR10	Percentage of new suppliers evaluated on the basis of criteria relating to human rights <i>Comment: IMA monitors strategic suppliers (where it has an equity interest) based on its Model 231. For other suppliers it has not yet initiated such programmes. In 2015 no specific assessments concerning human rights were carried out for new suppliers</i>	-

Mechanisms for resolving complaints

DMA		12-13
G4-HR12	Number of complaints about human rights received, addressed and resolved through formal mechanisms for handling complaints <i>Comment: no complaints received</i>	-

COMPANY

Local communities

DMA		75-85
G4-SO1	Percentage of operational areas with implementation of programmes involving the local community, impact assessment and development	75-85
G4-SO2	Areas of operation with current and potential significant negative impacts on local communities <i>Comment: none</i>	-

Anti-corruption

DMA		12-17
G4-SO3	Percentage and total number of operational areas analysed for risks relating to corruption and related risks identified <i>Comment: this type of risk is monitored by the Supervisory Board for the entire organization (100%)</i>	-



G4-SO4	Communication and training on anti-corruption policies and procedures. <i>Comment: through Model 231 training</i>	-
Public policy		
DMA		
G4-SO6	Total value of political contributions, by country and recipient <i>Comment: IMA S.p.A. has not paid any contributions for political purposes</i>	-
Unfair competition		
DMA		16
G4-SO7	Total number of law suits for anti-competitive behaviour, anti-trust and monopoly practices and their results. <i>Comment: none</i>	-
Compliance		
DMA		14-16
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws or regulations. <i>Comment: no sanctions</i>	-
Evaluation of suppliers based on impact on the company		
DMA		50-52
G4-SO9	Percentage of new suppliers assessed on the basis of criteria that address the impact on the company <i>Comment: IMA monitors strategic suppliers (where it has an equity interest) based on its Model 231. For other suppliers it has not yet initiated such programmes. In 2015 no specific assessments concerning such impacts were carried out for new suppliers</i>	-
Mechanisms for complaints relating to impact on the company		
DMA		14-16
G4-SO11	Number of complaints relating to impact on the Company received, addressed and resolved through formal mechanisms for handling complaints. <i>Comment: none</i>	-
PRODUCT LIABILITY		
Health and safety of consumers		
DMA		46-49
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle <i>Comment: there were no reports or cases of non-compliance in 2015</i>	-
Labelling of products and services		
DMA		46-47
G4-PR3	Type of information about products and services required by procedures and percentage of products and services subject to such information requirements	46-47
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning information and labelling of products/services. <i>Comment: none</i>	-
G4-PR5	Results of surveys of customer satisfaction	49



Marketing activity		
DMA		39
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. <i>Comment: none</i>	-
Consumer privacy		
DMA	<i>Comment: IMA complies with the legislation on the processing of personal data.</i>	-
G4-PR8	Number of complaints regarding breaches of customer privacy and loss of customer data <i>Comment: no complaints received</i>	-
Compliance		
DMA		46-47
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products or services. <i>Comment: no sanctions</i>	-





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

The working group is made up of the following entities:

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

Moreover, we'd like to express our heartfelt thanks to all the representatives from the **IMA Group's productive plants** for having contributed to the fulfillment of the 2015/16 edition of the Sustainability Report, by providing data from the respective companies.

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