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SOCIAL ACCOUNTABILITY SA 8000



SOCIAL AUDIT

YEAR 2010



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SA 8000 Social Audit

With the wish to maintain a constant and transparent relationship with all internal and external stakeholders, **ITALTRONIC srl** and **Gruppo PLASTIC+** have drawn the Social Audit yearly since 2006 and have provided information about their Policy and their **Integrated Management System for Quality, Ethics, Safety and Environment**.

The Social Audit precisely describes the company, its commitments, its activities and organization as well as its programs and objectives.
The Social Audit shows our commitment to operate in accordance with the principles of social accountability.

Italtronic srl has been SA8000 certified since 5th Dec. 2007 and, in 2010, it has also received certification for the new edition of the SA8000:2008 regulation and a renewal of the Det NorsKe Veritas certificate.

The Company Management System certifications that are integrated for Quality to the UNI EN ISO 9001:2008 regulation and for Social Accountability to the SA8000:2008 regulation derive from the firm belief that the company policy should combine the objectives of constant improvement and customer satisfaction with the commitment of Social Accountability with the complete transparency of its activities.

The compliance with these regulations means that **Italtronic srl** wants to distinguish itself as a socially useful company that pursues a policy focused on the respect of social rights in all its production processes and complies with the requirements relevant to the following:

- Employment of children or minors
- Forced and compulsory labor
- Health and safety
- Freedom of association and right to collective bargaining
- Discrimination
- Disciplinary practices
- Working time
- Pay

A copy of this document was delivered to the Employees' Representative SA8000 and is available at the company for stakeholders' consultation.

The SA8000 social audit was also published on the company web site at www.italtronic.com for the consultation of the other stakeholders who were informed of the new publication by newsletter.

Presentation of ITALTRONIC SRL



Since 1986, **Italtronic srl** has been working in the cabinet industry for built-in electronic equipment and DIN guide; the company designs, manufacturers and trades a large range of boxes and accessories made in thermoplastic material that can keep any type of electronic component.

The production is comprised of the following families:

-MODULBOX and MODULBOX XT

-RAILBOX

-GUIDEBOX

-INCABOX and INCABOX XT

-SUPPORT

- ISO THERMO GUIDE

-SPECIAL

-TERMINAL

Italtronic srl provides a quality tailor-made service by means of mechanical machining, rapid prototyping, tampon printing, screen printing and interventions on molds.

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CHAMBER OF COMMERCE No. 237613 - PD

In 2001, a group named **GRUPPO PLASTIC+** was set up to gather three companies **Italtronic srl**, **Eterno Ivica srl** and **Plastic Planet srl**.

Three dynamic companies with the mission of developing ideas and products for the market by controlling all phases from designing and working to trading in order to guarantee quality, assistance and customized relationships with customers.

The production site of **Gruppo Plastic+** covers a total surface area of 10,000 sq m of which 7,000 are indoors. The three production units are directly connected to one another with test laboratories and designing offices that allow the successful sharing of ideas.



In 2003, the companies of Gruppo Plastic+ moved to South Padua, at Via Austria no. 25 in the new industrial area that borders the Municipalities of Saonara and Ponte San Nicolò. The industrial area can be reached easily from the motorways A4 MI-VE or A13 PD-BO by exiting at the Padova Zona Industriale tollbooth and following the **Plastic+** sign.



Currently the mission of the Group can be formalized as follows:

- To provide those in the building and electronics industry with the skills and experience that we have acquired in the plastic industry as we can supply excellent technical products in specific market segments while respecting ethical values, the environment and the health and safety of workers.

Company policy

The Gruppo Plastic+ wants to serve its customers, its employees and its stakeholders and to constantly improve its results. In order to achieve this goal, the group works firmly to attain the highest level of quality in the all areas that affect the corporate development such as:

People, Process, Product, Service and Organization

The guideline concept of the company policy is as follows:

Company Quality =

- **The full satisfaction of customers and stakeholders, which means an active understanding of their needs**
- **The suitability of plants and of human resources**
- **Respect of the environment, ethical values and health and safety in the workplace**
- **The prevention of injuries and poor health**
- **The guarantee of a constant commitment in preventing pollution and in constantly improving environmental issues by saving energetic and natural resources, by managing and recycling waste properly and by monitoring constantly emissions in the atmosphere**
- **The training of qualified and well-equipped staff ready to face emergencies such as fire and spills.**

In accordance with this guideline, **GRUPPO PLASTIC+** believes that it is essential to correctly apply the concept of **Quality - Price - Service and Protection of the Environment, Health, Safety and Human Rights.**

The quality and reliability of the products by **GRUPPO PLASTIC+** are the results of a company process checked in each phase.

The fundamental concepts for achieving the above-mentioned targets are as follows:

- a) **Considering employees as a precious resource. This concept implies the following:**
 - ✓ Stimulating employees' professional growth by training courses, respecting their human and moral value and protecting their health and safety by preventing injuries and work-related diseases;
 - ✓ Involving employees so that it is clear that the Health and Safety in the workplace concerns the whole company organization, from the Employer to each worker, each of them in accordance with their tasks and competences.
 - ✓ Involving employees in the environmental protection so that they are aware of the correct behavior to be applied in the disposal of waste, in the consumption of resources and in the use of dangerous substances also in emergency situations.
- b) **Considering suppliers as strategic partners:**
 - ✓ For the careful choice of materials;
 - ✓ For the constant quality improvement of the final product;
 - ✓ As concerns the respect of ethical behaviors, health and safety and the environment;

- ✓ Considering customers as a fundamental component for the quality of product and service by constantly seeking their satisfaction also when concerning social accountability and the environment;
 - ✓ Considering the Community as an important factor for working properly
 - ✓ Respecting the environment;
 - ✓ Following applicable laws, contracts, agreements and other provisions;
 - ✓ Committing to improve socially and protecting the health and safety in the workplace;
- c) **Guaranteeing constant monitoring and the improvement of the corporate Integrated Management System**, defining the targets for improvement and checking their achievement;
- d) **Guaranteeing compliance with the requirements** relevant to child labor, forced or compulsory work, health and safety, freedom of association and the right to collective bargaining, discrimination, disciplinary practices, working hours, pay and ethic code.

The essential conditions to achieve this result are as follows:

- Clear definition of the role of each company department;
- High professionalism of each employee;
- High reliability of materials and equipment;
- "environment", which means positive human relationships that stimulate the employees to carry out their tasks with the aim of satisfying company requirements relevant to quality;
- Inspiring all relationships to the fundamental principles of **RESPECT – SYMPATHY – HUMBLENESS – FRIENDLINESS - HONESTY**
- Learning a work philosophy based on the concept of working together as a team in order to:

< WORK TOGETHER TO GET SUCCESS AND SATISFACTION >

The Integrated Management System Manual describes the current organization Gruppo PLASTIC+, therefore becoming for everyone, no one excluded, a point of reference for operations. The General Management undertakes to pursue company policy and stimulate all corporate forces to carry out their tasks in accordance with this vision.

Gruppo Plastic+ guarantees the documentation, implementation, preservation and efficient communication of the obtained results of its Integrated Company Management System, complying with UNI EN ISO 9001 - SA 8000 - OHSAS 18001- UNI EN ISO 14001 regulations to all their personnel and stakeholders.

The Integrated Management System is certified to the UNI EN ISO 9001 and SA 8000 regulations.

The corporate policy is focused on protecting the rights of workers and the environment and on implementing and promoting responsibility in all company departments to ethical values, to the prevention and protection of Health and Safety in the workplace and to the Environment.

Stakeholders

The following are the stakeholders identified by Gruppo Plastic+ in order to verify the capability to meet the needs and requirements of each one of them by means of an open, transparent dialogue based on mutual trust.

- Human resources;
- Partners;
- Customers;
- Suppliers;
- Financial institutions;
- Civil communities;
- Public administration;
- Environment.

This SA8000 social audit is drawn to meet the systemic requirements of the management review and of external communications and it is the result of the participation of social partners to the implementation of the social accountability system.

PRINCIPAL ECONOMICAL FIGURES

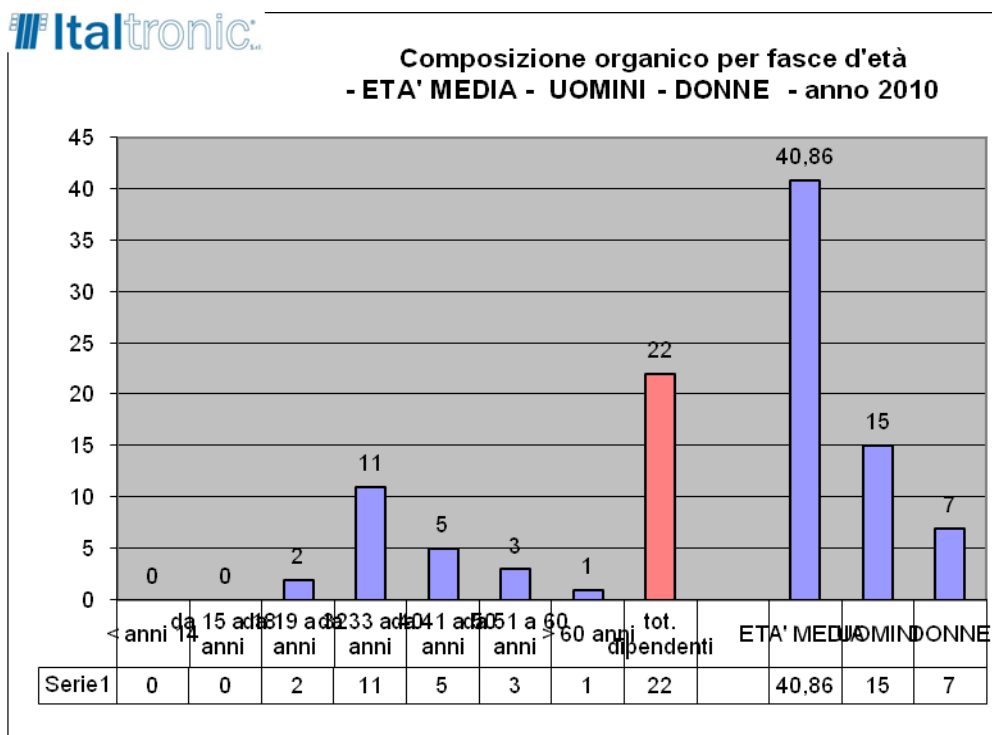
Euro x 1000	2010	%	2009	%	2008	%	2007	%
AGGREGATE PROFIT AND LOSS STATEMENT								
Total revenues of which:	4.005		3.161		4.203		4.225	
1) sales proceeds	3.959		3.098		4.129		4.173	
2) other profits	46		63		74		53	
Total of production costs of which:	3.522		2.962		3.950		3.938	
a) for the personnel	890	22,23	840	26,57	853	20,29	738	17,46
for external personnel	7		0		14		55	
b) other costs	2.625		2.122		3.083		3.145	
Profits and financial charges	-8		-39		- 55		7	
Profit (Loss) before taxes	474	11,84	160	5,06	197	4,68	294	6,95
ASSET AND LIABILITY STATEMENT								
Total amount of business	3.719		2.951		3.349		3.541	
Net assets	2.154		1.866		1.798		2.057	

REQUIREMENTS OF THE SA 8000 REGULATION

This paragraph describes the situation of **ITALTRONIC** as concerns the application of the requirements of the SA8000 regulation, edition 2008, and specifies the current company situation. During the Management Review, they checked the 2010 results and defined the objectives for improvement relevant to Social Accountability that would have been achieved in 2011.

CHILD LABOR

There are no children or minors (from 14 to 18 years old as defined by the SA 8000 regulation) working for the company.



As we stated before, there are no children or minors working for the company and all workers are people of full age. The procedure relevant to this issue is applied and respected.

Social commitment of GRUPPO PLASTIC + with the Project "**Costruire il futuro, insieme**" [Building the future together]



It is with great satisfaction that we announce that we have completed the project "Building the future together" consisting of the construction of the Educational Centre S. Massimiliano Kolbe in Dar es Salaam in Tanzania.

On 17th June 2011, the Favero family, on behalf of **Eterno Ivica srl**, **Italtronic srl** and **Plastic Planet srl**, took part in the official ceremony of the school inauguration.

It was a day of joy that began with a beautiful song sung by about 350 children and accompanied by music instruments native to the area; the day continued with the traditional ribbon-cutting ceremony, the unveiling of the plaque and a visit to each school room. Then each class performed a show of songs, dances and funny sketches and some photos were taken with students and teachers and finally there was a local dish served in the school cafeteria.

The reception and hospitality that the Franciscan friars offered the Favero family were extraordinary: the family was first accommodated in Arusha for a few days and then in Dar es Salaam. A special thanks to Friar Cristoforo who perfectly managed that wonderful trip to Tanzania.



The social commitment of GRUPPO PLASTIC + with the project
"Building the future, together "

S. Massimiliano Kolbe educational center



Official opening ceremony of the school





2011 GOALS

*In accordance with the **Gruppo Plastic+** 's policy that considers education an essential instrument for the growth and development of a person, society and sustainable economy, the General Management has decided to support the Padua Caritas Antoniana Association in a second project that plans on doubling the school size and adding other classrooms dedicated to technical formation.*

FORCED AND COMPULSORY WORK

The employees work in the company voluntarily; no one is a victim of threats or intimidation that force

him/her to work for the company.

Workers do not leave any money or original personal papers at the company to work.

At the moment of hiring, the employee is informed on how to resign and he/she receives and signs all applicable documentation and Behavioral Regulations.

RESULTS OBTAINED IN 2010

Informing workers by providing them with the CIP “Personal Informative Code” which is:

- **A guide in their work as it explains the company policy and describes the characteristics of the work contract that they signed, the pay packet, the internal regulations and the methods to present claims or suggestions, the SA 8000 regulation and the Ethic Behavior Code.**

The CIP was reviewed with the updating of the company policy as concerns the implementation of the Environmental Management System and it was delivered to all employees.

The procedure regarding this issue is applied and followed.

TARGETS 2011

Informing workers by providing them with the CIP.

HEALTH AND SAFETY

Gruppo Plastic + refers and applies all regulations that rule employee health and safety as well as workplace hygiene and safety.

Each company is provided with an updated risk assessment.

Each company is equipped with evacuation plans and fire safety plans. The plans are displayed at each company together with the names of the employees that are trained to manage emergency.

The (periodical) checks of the personnel are carried out by the Doctor in charge in accordance with the health check plan.

Absences for diseases and accidents are constantly monitored in each company of the group; this information is essential to identify possible causes and provide remedies, if it is necessary.

YEAR	TRAINING HOURS FOR SAFETY	HOURS OF ABSENCE FOR DISEASE	HOURS OF ABSENCE FOR ACCIDENT	NUMBER AND CAUSES OF ACCIDENT	PERIOD OF ACCIDENT
2008	10.5	772	0	Zero accidents	
2009	41	824	0	Zero accidents	
2010	34.5	760	16	1 accident for slight bruise to the forefront caused by impact against a	<u>During working hours</u>

			machine	
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The hours of absence are not due to accidents but to health problems.

TARGETS AND RESULTS ACHIEVED IN 2010

All targets were achieved:

- Employees were trained about health and safety;
- INAIL accepted the petition of reducing the rate of 23% to apply to the insurance premium 2011 New % variations, Ministerial Decree dated 03.12.2010

2011 GOALS

Continuing to train and inform employees about health and safety.

FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING

The company respects the right of workers to join the union that they prefer as well as the right to collective bargaining in accordance with Italian regulations and agreements. The employees of **ITALTRONIC** do not join any unions.

All employees are free to communicate with other members of the union in the workplace provided that the provisions for the access and safety of these areas are followed.

Year	Number of employees members of the Union	Number of litigations between the company and the employees	Hours of strike
2010	0	0	0

TARGETS AND RESULTS ACHIEVED IN 2010

- Workers can ask for a company area where the meetings and communications of the union can be held.

2011 GOAL

- Continuing to favour communication by providing the workers with areas where they can meet.

DISCRIMINATION

ITALTRONIC does not discriminate workers and it guarantees equal opportunities to all employees and does not interfere nor permit any interference with their private lives.

The company staff is divided as follows:

YEAR	Workers (women)	Workers (men)	TOTAL	Employed with a permanent contract in the year	Dismissed	Trial period not passed
2010	7	15	22	0	0	0

The number of personnel on 31st December 2010 is the same as it was the previous year.

The company employs 1 disabled worker.

TARGETS AND RESULTS ACHIEVED IN 2010

- 1 suggestion was given by workers:
- Some workers asked to move the climatic chamber from the packaging department because it is too bulky and noisy.
- The request was accepted but postponed as an intermediate floor was going to be installed by July 2011. In 2010, the equipment remained in the packaging department as it was used only a few hours per month and it was not possible to move it to another department as there were not suitable infrastructures.

2011 GOALS

- Continuing to monitor the indicators relevant to the personnel
- Monitoring claims presented by the workers or by the stakeholders.

DISCIPLINARY PRACTICES

Do not exert any form of physical and mental intimidations, verbal offence or offence to the personal dignity of any employee or collaborator.

TARGETS AND RESULTS ACHIEVED IN 2010

No disciplinary measures were taken during 2010.

2011 GOALS

- *Continuing to pursue and monitor the target.*

WORKING TIME

In accordance with the contract, there are 40 working hours per week with a maximum of 12 extraordinary hours.

Working time is organized as follows: 8.30- 12.30 a.m. and 13.30 and 17.30

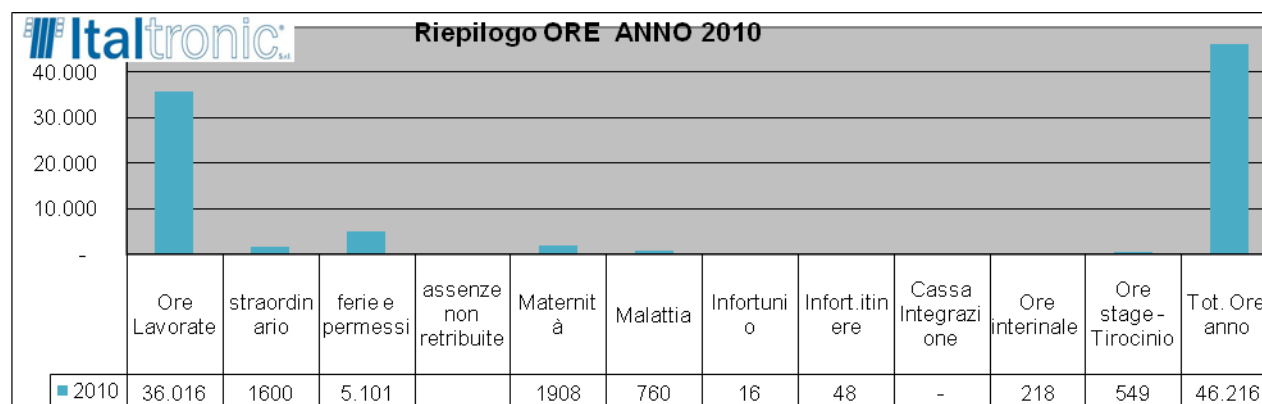
Extraordinary works are accepted voluntarily by each worker in accordance with the company needs.

Currently, there is no claim or remonstrance against the company for forcing the employees to perform any extraordinary work.

The following is the monthly average of working hours and extraordinary working hours.

Year	Monthly average of working hours by internal personnel	Monthly average of extraordinary working hours by internal personnel	Monthly average of working hours by external personnel
2008	3.159	120	79
2009	2.912	72	0
2010	3.001	133	18

Note: While calculating the average, the following types of contracts were not considered: part-time contracts, contracts of ongoing and coordinated collaboration and internship contracts.



TARGETS AND RESULTS ACHIEVED IN 2010

Extraordinary working hours were less than the limits set by law.

2011 GOALS

- **Monitoring extraordinary working hours, standard working hours and guaranteeing the application of the contractual norm.**

PAY

Employees are paid in accordance with the contractual agreements and their tasks. Work is paid in accordance with the Italian Collective Agreement of metal and the mechanical industry.

Typology of contracts	No.
Full-time and permanent	21
Part-time and permanent	1
TOTAL of internal personnel	22
External personnel:	
Internship	1

In 2010, the company employed 1 provisional worker due to the increase of the turnover.

TARGETS AND RESULTS ACHIEVED IN 2010

The Management asked the department managers for the assessment of the MBO system as concerns the benefit distributed in the second year of application.

The System was considered valid and satisfactory but should be improved in regards to the collection of data as well as the management of a few indicators. From the meeting with the representatives, it emerged that employees were satisfied of the benefit they received.

As in previous years, as well as in 2010, the employees were offered to use the company gym.



2011 GOALS

- **Constantly verifying that the contractual level of each employee corresponds to the tasks he/she carries out. In the event of a new employee, check that his/her contractual level corresponds to the tasks that he/she will have to carry out.**
- **Improving the application of the MBO system.**
- **The Management prepared a project for 2011 to provide certain indicators that are published within the indicator files by the fixed deadlines. The indicators can be detected and published easily and quickly. This project named Indicator Project will be managed by the IT manager along with the other involved employees.**

MANAGEMENT SYSTEM

RESULTS ACHIEVED IN 2010

ADJUSTMENT OF THE NEW EDITION of SA8000:2008 AND CERTIFICATE RENEWAL

On 3rd March 2010, Gruppo Plastic+ upgraded its System with the new edition of the SA8000:2008 regulation and, during the audit for the certificate renewal, from 30.11.2010 to 02.12.2010, the DNV positively assessed the applied SA8000 System and renewed the certificate for each company of the Group; the certificate will expire on 05.12.2013.

The positive assessments given by the DNV were as follows:

- **Positive company environment**
- **Structured process of assessment and check of suppliers**
- **The Management's strong commitment to the principles of SA8000**

The audits are performed by the certifying body every six months.

The employees' representatives of SA8000 and Management Representation for SGS were involved in the periodical Meeting about safety to discuss the issues relevant to company safety with the Members of Service and Protection who are the Responsible for Prevention and Protection Service – the Doctor – the Representative of Workers' Safety and the Safety Consultant.

The Representatives of Workers' Safety (RLS) and the Representatives of Employees of SA8000 (RLSA8000) are actively involved in Reviewing the Management System of Social Accountability (SGSSA8000) and Health and Safety (SGS).

A copy of the review was delivered to the RLSA8000 in order for it to be communicated and consulted by employees.

Social Audits were published on the company website and a copy was delivered to the Employees Representatives.

A newsletter was sent to all stakeholders' addresses to inform them that the Social Audit was published.

BENEFITS

*In 2010, **Eterno Ivica**, on behalf of **Gruppo Plastic+**, took part in the contest "**Qualità e sviluppo**" dedicated to **Giorgio Pagliarani**. The company was awarded with an appraisal certificate from the Rotary Foundation for the development model they adopted as it is based on the structured and responsible participation of all resources.*

In 2010, Gruppo Plastic+ took part in several projects such as the following:

- **Contribution to the IOV , the Veneto Cancer Institute of Padua**
- **Contribution to the construction of a home for young single mothers in Saccolongo (Padua)**

- **A vehicle to the Municipality of Padua for the transportation, free of charge, of disabled people and the elderly**
- **Contribution to the 1st Denis Tomei Tournament where the profits were assigned to charity**

2011 GOALS

1. *Improving communication*

Managers will promote and manage meetings and discussions with their collaborators to inform them of the performances of various activities, to discuss problems and to involve themselves actively.

The information that managers receive from the DIG must be transmitted and discussed to all collaborators, at all levels.

The General Management will meet the managers of each department when it is necessary.

A newsletter will be sent to all stakeholders to inform them of the Social Audit published on the company website.

Structure of the Integrated Management System

New implementation of the Environmental Management System

The companies of the Group have adopted an Integrated Management System that includes the management of Quality, Social Accountability and Safety. In the first six months of 2011, they completed the implementation of an Environmental Management System referring to the ISO 14001 regulation.

The Integrated Management System is managed by a number of documents that include the following:

- **the Manual of the Integrated Management System** that describes the System, the activities applied for the implementation of company policy and the division of roles and responsibilities in accordance with the reference regulation;

- **procedures**, processed to provide a detailed description of the way that activities should be performed in order to comply with the ISO 9001, SA 8000, OHSAS 18001 and ISO 14001 regulations;

- **instructions**, established to provide a detailed description of the way in which a specific aspect of an activity should be performed;

- **a register of the regulations**, prepared in order to identify, document and guarantee an easy consultation of international and national provisions that concerns the requirements of the reference regulations;

- **the records** that prove that the System is working and managed properly.

Training plans have been foreseen for newly employed or provisional personnel by courses performed internally and externally about Safety and Health in the workplace and about the SA8000 regulations as well as periodical updating for all personnel.

Within the Social Accountability System, to check that the activities meet the established requirements, **ITALTRONIC** performs monitoring and measuring activities to guarantee that the Management System for Social Accountability complies with the requirements of the **SA8000** regulation.

As concerns monitoring the suppliers, the activity is carried out by applying a specific procedure. The application of this procedure also foresees the periodical assessment of the suppliers with special attention to critical ones.

The Management periodically re-examines the Social Accountability Policy as concerns the following:

- suitability,
- and efficacy.

On the occasion that the efficiency of the Corporate Procedures is assessed, as well as the opportunity of modifying and improving the targets, the Policy of Social Accountability and the Management System and new targets will be defined.

Through procedures, the Company has established the methods for selecting and qualifying suppliers/sub-suppliers on the basis of their capabilities to meet the requirements of the SA8000 regulation.

By informing them about the procedures that the company applies for Social Accountability, suppliers were asked for conforming to these requirements by completing a questionnaire of self-assessment and by being willing to be audited.

Personnel can write complaints or suggestions, even in anonymous form, regarding the causes of non-conformity concerning the application of the SA8000 regulation.

The methods to forward the claims are available to all personnel by applying a proper Procedure.

The data and information contained in this Social Audit SA8000 are diffused with the aim to inform the Stakeholders about the company and to ask for suggestions and comments in order to constantly improve the Company's Social Accountability.