



MIDAC S.p.A.

CORPORATE SOCIAL RESPONSIBILITY

for 2010

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CORPORATE POLICY AND MANAGEMENT

The last ten years of the 20th century for Midac spa, as for all the other companies which operate in the lead battery market, were the years of globalisation.

Having to operate in an industry always more competitive, Midac spa had to keep up with technological progress, with rapidly changing markets and with the implementation of directives and legislative measures.

In this context, identical for companies across Europe, an additional factor was the aggressive competition coming from low cost emerging countries, whereas within the European market the challenge continued to be evermore difficult.

Faced with this arduous scene Midac decided to respond to the external factors by transforming worries and pressure into opportunity for development, greater efficiency and process improvement.

Midac spa 's approach to these changes was focusing its attention on quality throughout the production processes and in the services offered to Customers, environmental protection, safeguarding the health and safety of workers and the commitment to operate following a corporate social responsibility policy aimed at respecting human rights.

The objective established by Midac spa to be able to respond to the evermore complex industrialised world was to base its company's policy on existing models of standards.

For this reason in 1997, just seven years after the first battery left the premises, Midac spa obtained ISO9002 certification (certified quality management system) which then becomes ISO9001 (when project design was included in the quality management system).

At the beginning of the new millennium the concept of quality is further integrated with Lean Production and process mapping (Value Stream Map) which gave an indispensable and fundamental support to obtaining ISO9001:2000 (Vision 2000) certification in 2002 well ahead of the deadlines established at international level.

In 2003 Midac spa works towards three objectives of prime importance: to obtain ISO4001 certification the significant environmental standard, OHSAS18001 certification standard related to health and safety in the workplace, and ISO/TS16949 related to supplying the automotive industry.

The next milestone, aimed at providing partners with evidence of how this company respects all the requirements and needs in a business relationship between companies, is represented by the corporate social responsibility management system conforming to the SA8000:2008 standards. Midac attained certification at the end of 2004.

Now, Midac SPA is trying to extend all standards mentioned above, even the new production site in Cremona.

Midac spa offers its partners an integrated management system that provides trust and responsibility as well as trusting partners by adopting a wide-scope vision which encompasses all employees and suppliers.

Evidence that the driving concept behind a system making a company like Midac spa successful is an integration of quality, environmental protection, safety and ethics is clear, ongoing improvement. Midac has established in its management system fundamental objectives and organizational cornerstones.

CORPORATE POLICY

Midac's Board is committed to pursuing a corporate policy orientated toward the satisfaction of all parties involved in corporate activities both internal (in particular its employees) and external.

Internal Client satisfaction is achieved through audits and specific training on issues related to the company's activities aiming at an ongoing staff involvement over time.

External Customer satisfaction is achieved by offering and adapting all processes to the Customer's specific requirements, both implied and explicit, and by monitoring the learning progress and achievement of established objectives.

To demonstrate its commitment to satisfying its Customers and all interested parties, Midac spa commits itself to utilising all auditing and assessment tools available and by defining the method of application and the required resources.

On a yearly basis the Board defines and establishes the objectives which are then communicated to all employees.

The most important corporate objectives aimed at an external audience and their satisfaction are delivered through a specific communication tool which is the company's web site - <http://www.midacbatteries.com>.

QUALITY

The Customer plays an essential role in making Midac spa a successful company. Therefore it is important to research and know your Customer well, provide services and products which satisfy their needs and create a high-customer satisfaction.

The objectives which Midac spa has established conforming to ISO 9001 and to the harmonized standard ISO / TS 16949 are:

- Improvement of corporate image and brand awareness, hence: increase the current customer base, increase turnover, expansion into new markets;
- Improvement in production processes and process control, from raw materials accepted into the warehouse to shipment conforming to the business plan prepared by the General Manager;
- Observance of all contractual obligations, explicit and implied;
- Managing and enhancing external communications;
- Customer service;
- Implementing the most modern methods aimed at improving Customer support through ongoing training for managers and key staff.

Achievement and performance of these five objectives will be monitored constantly through Customer Satisfaction management and complaint assessment following the procedures set out.

Achievement and retention of these objectives is through ongoing training and internal communications to all staff.

The achievement of these objectives is aimed at creating a Customer-focused company, improving market performance and making Customer Satisfaction the differentiating factor in a highly-competitive market.

ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY AT WORK (OHS)

Midac spa acknowledges that environment, health and safety at work (OHS) is one of the major company issues and in response to this requirement has established policies, programmes and procedures ensuring an ecologically sustainable production as well as providing a safe and healthy (physical and moral) workplace for all employees.

Midac spa, conforming to the principles provided for under the ISO 14001 and OHSAS 18001 standards, has set a goal which is:

- Observe and enforce all applicable laws and legally binding regulations;
- Ongoing improvement of the policies, programmes and environment policy, health and safety at work (OHS) considering technological progress, scientific knowledge, consumer requirements and community expectations, starting with the observance of and respect for legislation;
- Deliver the corporate environment, health and safety at work policy by providing information, training, organising meetings involving all employees making them aware of the need to be responsible when working to respect the environment and their personal health and safety;
- Assess the possible impacts on the environment and hazards related to health and safety at work, during the production processes, when designing a new activity and before putting a plant or machine out of service or closing down a production site;
- Reduce to minimum any possible impact on the environment and hazards to health and safety at work when producing waste products and disposing of waste products by providing management action plans, development of plants and plant management considering an efficient and safe use of energy supplies, materials, hazardous substances and products and using sustainable recycling of resources;
- Inform Customers, distributors and the general public on safety issues related to transport, storage and disposal of products;
- Reduce the impact on the environment and hazards related to health and safety at work when handling company products and providing services related to the company's activities from the raw materials used in production, products, processes, emissions and waste through research and technological innovation to minimise the negative effects on the environment and hazards and risks related to health and safety in the workplace;
- Promote these principles to suppliers and contractors who work on behalf of the company by encouraging and requesting improvement in their normal and usual procedures conforming them to the company's principles and policies, as well as encouraging suppliers to adopt such principles ;
- Produce and retain management action plans to handle and manage emergency situations together with the emergency services, local authorities and community;
- Measure and record all environment, health and safety risk assessments by performing regular audits and evaluations on company objectives, legally binding standards and these principles , providing tangible information to the Board, the shareholders, authorities and general public respecting the spirit of the Certification Standard.

SOCIAL RESPONSIBILITY

Midac spa identifies itself in its responsibility toward social issues which is a key factor in the success of this company.

Starting from an environmental awareness and a solid health and safety at work policy, Midac aims at incorporating in it overall corporate policy all the cornerstone principles provided for in the SA8000 standard, which are:

- Not to use or support child labour (in respect of the ILO conventions 182, 177 and 138 and ILO recommendation 146 and UN convention on The Rights of the Child);

- Not to use or support “forced labour” (in respect of the ILO conventions 29 and 105);
- Guarantee a safe and healthy workplace (in respect of the ILO convention 155, 102 and ILO recommendation 164);
- Respect workers’ freedom of association and right to organise (in respect of the ILO convention 87);
- Not practise any form of discrimination (in respect of the ILO conventions 100, 111, 159, 169; of the ILO standard behavior about HIV/AIDS and about work world; of the UN convention on eliminating all forms of discrimination against foreign and the UN convention on eliminating all forms of discrimination against women);
- Not to use nor support disciplinary action such as corporal punishment, physical or mental coercion and verbal abuse (in respect of the Universal Declaration of Human Rights, of the ILO conventions 1, of the ILO recommendation 116 and point 6 of the SA8000 standard);
- To guarantee maternity protection removing and reducing risks to health and safety (in respect of the ILO convention 183);
- Regulate working hours in response to legislative requirements and national and local agreements (ensuring, where advantageous, what is provided for under point 7 of the SA8000 standard);
- Employee remuneration respecting the national collective employment contract and integrated company Employment contract (in respect of the ILO convention 98 and 131);
- Guarantee civil, political, economic, social and cultural rights of people (in respect of the international convention about civil and political rights and of the international convention about economic, social and cultural rights);

To ensure and guarantee that the SA8000 principles are respected Midac spa has adapted its corporate management system to these guidelines:

- Retaining a management system to ensure control and respect of the international standards (ILO – International Labour Organisation), UN conventions and declarations and national legislation related to the SA8000 requirements;
- Providing suitable communication tools and channels to promote ILO conventions and recommendations to all employees;
- The Board respects the right of employees to be represented, providing proof of free elections of employee representatives (in respect of the ILO convention 135) and the possibility that these representatives address the Board on questions related to expectations and problems;
- Inform all suppliers of the concepts related to social responsibility , illustrating the aims and requesting that they adopt these principles and prepare and implement an action plan related to critical suppliers (considering their \geographical location, the type of work and services provided);
- Assure that the corporate management system is implemented efficiently to ensure that the established social objectives are achieved, deal with (receipt and response) all complaints or suggestions received from the interested parties and provide efficient external communication related to the performance of the corporate social responsibility system.

In relation to social issues and where there is a difference between national legislation and the SA8000 standard, Midac spa will implement the most advantageous regulation / standard of the two in favour of the employee.

Midac spa has set the objective of preparing a corporate social report based on objective data, to provide evidence of the company’s commitment (external and internal) toward retaining ethical corporate practices and activities pursuing (internal) ongoing improvement in the working conditions of all employees.

Soave, 4th March 2011

Source: Management System Manual (MGI04): section 05 (appendix 1). Rev.3 26/11/2009.

OUR COMMITMENT TOWARD SOCIAL RESPONSIBILITY

Conforming to the principals of social responsibility for Midac spa simply means putting into practice and improving all the necessary activities to ensure the following requisites are satisfied:

1. Child labour.
2. Forced labour
3. Health and safety
4. Workers' freedom of association and right to organise
5. Discrimination
6. Disciplinary procedures
7. Working hours
8. Remuneration – salaries
9. Management system

Midac spa in its management system policy has set the objective of creating all the necessary presuppositions so that the required requisites for social responsibility are respected and controlled by creating or improving internal professional figures able to perceive these concepts putting them into practice and improving social requisites.

PROCEDURE FOR COMPLAINTS RELATED TO THE SOCIAL RESPONSIBILITY REQUISITES

The objectives set out in the corporate management system policy consider involvement by all interested parties, and in particular create the presuppositions so that all complaints or suggestions related to the corporate social responsibility requisites are acknowledged understood by management and key staff, are managed conforming to the established procedures allowing for necessary corrective action and are communicated to all interested parties.

Any external party is free to inform the company on acts or facts which do not conform to the management system policy, and in particular concerning corporate social responsibility requisites.

All interested parties may advise their personal comments on how they see the company's commitment by providing for example useful suggestions concerning communication tools or procedures.

The communication channel is the company's e-mail address:

midac@midacbatteries.com

In the field "subject" indicate:
"COMPLAINTS (OR SUGGESTIONS) RELATED TO CORPORATE SOCIAL RESPONSIBILITY"

The information provided will be evaluated as soon as possible by the Board's representative on issues related to corporate social responsibility, and who, after having conferred with other members of management concerned with the question, will evaluate the information and reply providing the below information:

- data of receipt of the complaint and / or suggestion;
- complaint assessment results;
- established preventive and corrective actions;
- other communications considered necessary;

You may also send your complaints and / or suggestions by post to the following address:

**MIDAC SPA
Via Alessandro Volta, 2
37038 – Soave (VR)
ITALY**

Address your letter to the Board's representative for corporate social responsibility.

External parties must always provide an address for receiving replies.

SOCIAL INDICATORS AND CORPORATE SOCIAL REPORT

Midac spa is setting up a channel for communicating its social performances to all interested parties providing information on the efforts and commitment the company has toward work ethics.

Using the management system policy and primary objective data the social performance indicators related to all applicable requisites are assessed and established.

Midac's Board would like to use this space to illustrate its corporate social objectives by making available the measuring tools and established actions used for achieving its social objectives.

In this way, Midac intends to communicate gradually, which is inevitable when talking about an ambitious and important project, to all interested parties what will be transformed into the company's corporate social report.

OCCUPATIONAL HEALTH AND SAFETY AT WORK

The auditing programme for our Occupational Health and Safety Management system (OHSMS) is focused mainly on the following points:

- Analysing working conditions of the employee;
- Analysing information on injuries and accidents;
- Improve the level of safety of site machines and plants;
- Updating risk assessment document;
- Compliance to standards;
- Training the emergency response team and organising simulations.

Safety has become a major issue in work management to guarantee all employees or whoever is involved in company activities on company premises, a safe and healthy workplace.

Diverse measures have been adopted to avoid accidents, injuries and other hazards.

The main measures are:

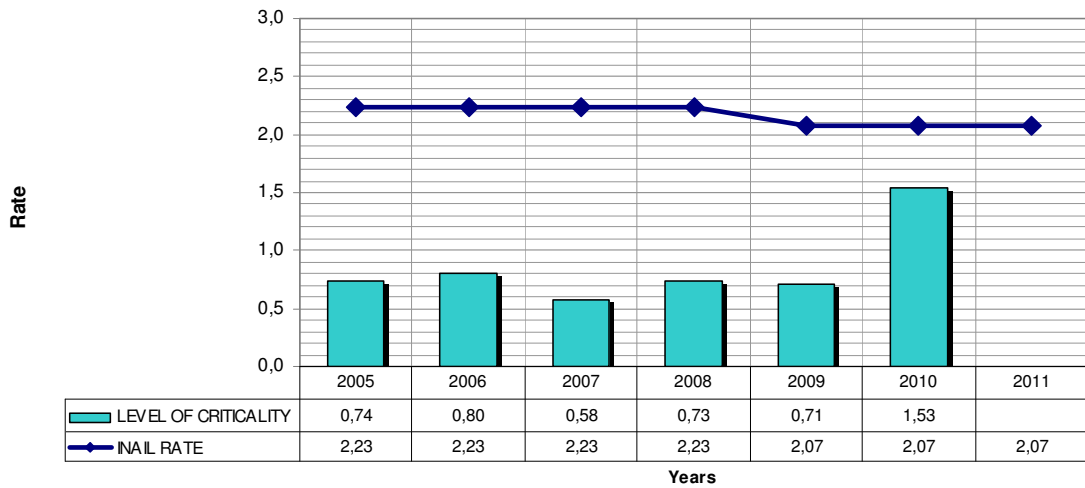
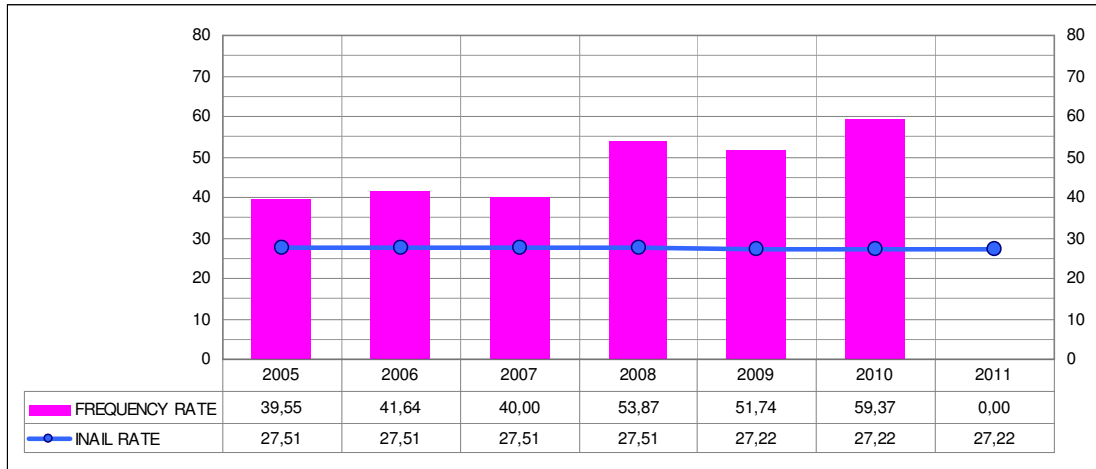
- The employee union representatives are involved in many of the various processes in safety management (monitoring risks, identifying measures, training);
- Employee Health and Safety Officers have been nominated;
- A restructuring and renovation plan for company structures and facilities has been established, ongoing monitoring of machines and plants to ensure and verify suitability and safety as well as monitoring the emission of toxic substances and controlling noise levels;
- Responsibility, procedures, operational instructions have been provided in an internal employee handbook to help and to inform employees about their daily duties, responsibilities and how they should behave at work;
- Evacuation and fire fighting plans have been defined including a number of emergency plans for dealing with hazardous and critical situations;
- A health surveillance plan for employees has been established and consists of specific medical visits (laboratory and instrument tests) for each single job role;
- Every year the company organises and runs health and safety training courses for all employees;

Thanks to a strategy aimed at safeguarding the health and safety of employees, and of whoever is involved in company activities, and to the reduction in risk of accidents, indices related to injuries and illness have an average constant trend, despite the number of workers and hours worked have steadily increased.

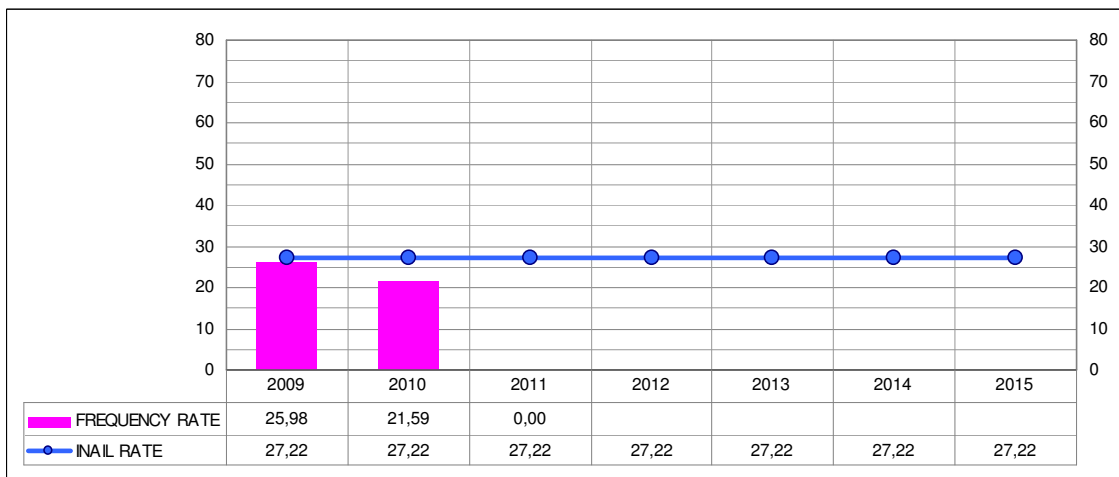
In particular, about Soave site, in 2010 indicators related to frequency and other indicators have been a slight increase: however, the same representatives of the employees for security were in agreement that this increase is attributable to injuries definable "occasional" and therefore not foreseeable. About Cremona site, however, results have been excellent.

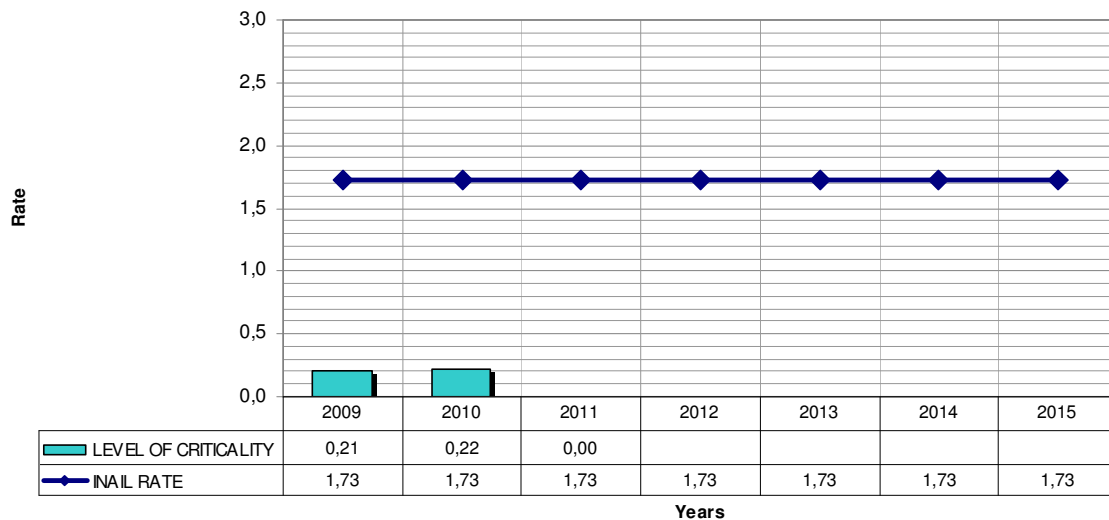
Management and all other parties involved pay extreme attention to all results, whether related to injury or accident, so as to control and monitor all risk factors and cases.

SOAVE:



CREMONA:





In 2010 the rate of frequency exceeded the INAIL (Italian Department for Employee Insurance and Accidents in the workplace) reference rate for reasons explaining before. About Cremona site, however, results have been excellent.

This improvement in health and safety is the result of the accident prevention programme 2011, and is the result of an increase in employee awareness of health and safety risks, health and safety orientated training courses, and the provision of personal protective equipment (PPE) to workers.

Accident prevention and training programmes have been defined and established in collaboration with the employee union representatives.

Every year in-house health and safety orientated courses are organised and run for all company employees.

All our factory workers are provided with suitable and appropriate personal protective equipment (PPE).

Aimed at increasing awareness we have issued to all factory workers, together with their pay packet, a specifically designed questionnaire to be completed and left in the box located near the changing rooms for collection by a company member.

These questionnaires are collected when company management meet to review the management system and objectives.

The obligatory objectives to achieve to improve health and safety at work are:

- Analysing working conditions of the employee (work environment, formal complaints etc.) by achieving the objectives established concerning:
 - Average blood lead level.
 - Concentration of lead in the atmosphere.
 - Improved awareness of employees regarding health in the workplace .
 - Acknowledgment of the occupational doctor's opinion related to the health of the employee.
 - Acknowledgement of the information provided by the employee health and safety officers.
- Analysing information on injuries and accidents by achieving the objectives established concerning:
 - Frequency results lower than the average for this industry sector as established by the National Institute for Industrial Accident Insurance
 - Acknowledgement of information related to accidents in production and in the offices
- Improving the level of safety of site machines and plants by achieving the objectives established concerning:

- Reduction in risk of injury .
- Update of Document about Valuation of Risks.
- Compliance to standards and regulations by achieving the objectives established concerning compliance to existing legalisation and acknowledgment of future directives.
- Training the emergency response team and organising simulations by achieving the objectives established concerning:
 - Increase in response time in the event of an emergency situation due to simulations established in the monitoring plan.

CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT PROCESS (CSR)

Process analysis of corporate social responsibility management are provided by the SA8000:2008

- Child labour:
- Forced labour
- Health and safety at work
- Workers' freedom of association and right to organise;
- Discrimination;
- Disciplinary procedures;
- Working hours
- Remuneration – salaries:
- Management system, more specifically monitoring:
 - Employee satisfaction;
 - Training and information;
 - Suppliers and supplier criticality.

The company's strategic objectives on these issues are:

PREVENTION OF CHILD LABOUR

The company has no intention to use or promote child labour. A number of plans have been designed and implemented to ensure support to children who are involved in child labour.

These plans are focused on ensuring children go to school and are not exposed to hazardous, unsafe or harmful situations or subjected to conditions which can lead to physical, emotional and psychological damage.

In the event young workers are employed, they are not exposed to hazardous, unsafe or harmful situations to their health.

PREVENTION OF FORCED LABOUR

All our employees voluntarily agree to work. The company does not in any way accept that workers are forced to work under threat of penalty.

To ensure that workers voluntarily agree to offer their services, the company guarantees that all workers are informed and understand in full their rights and duties under their employment contract.

None of our workers has ever deposited money or copies of original documents with the company. The company intends to inform all current and future employees on social responsibility and requisites.

Considering the company's current policy and activities, we believe the objectives to achieve to promote improvement are:

- provide information and raise awareness in employees regarding voluntariness in their jobs by achieving the objectives established concerning:
 - Ensuring the employee training plan is met.
- Monitoring social requisites within the company by achieving the objectives established concerning:
 - A yearly survey on social requisites within the company

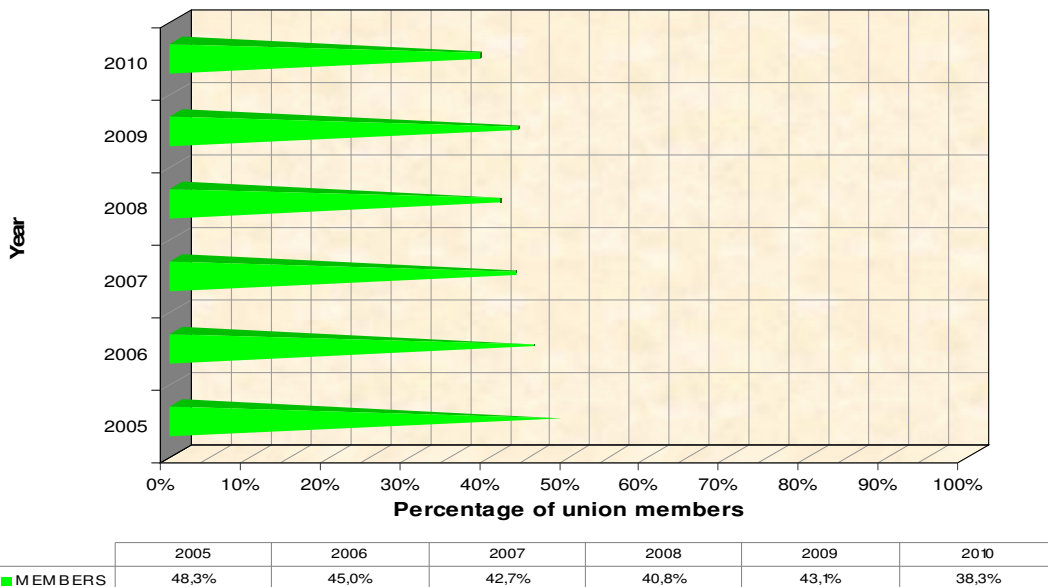
WORKERS' FREEDOM OF ASSOCIATION AND RIGHT TO ORGANISE

The company respects the right of all workers to organise or become a member of a trade union of their choice and their right to collective bargaining.

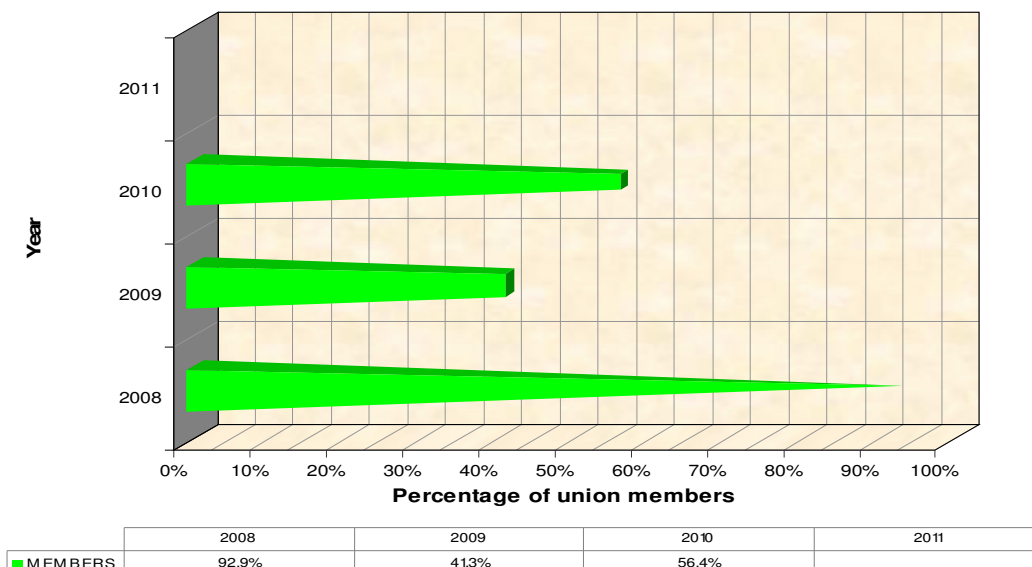
The union representatives elected by the workers are not subject to any form of discrimination and can discuss and talk to workers freely in the workplace.

Specific areas on company premises have been provided for union communications and for holding union meetings which are organised throughout the year.

SOAVE:



CREMONA:



Concerning the specific responsibilities within the company, this approach to communicating with the union organisations has encouraged and promoted a mentality orientated toward solving problems by involving all parties.

All employment contracts are defined referring to the collective employment contract related to the industry category in question, guaranteeing greater standardisation of employment contracts within the company.

PREVENTION OF ANY FORM OF DISCRIMINATION

The company guarantees equal opportunities to all employees and any form of discrimination is unacceptable.

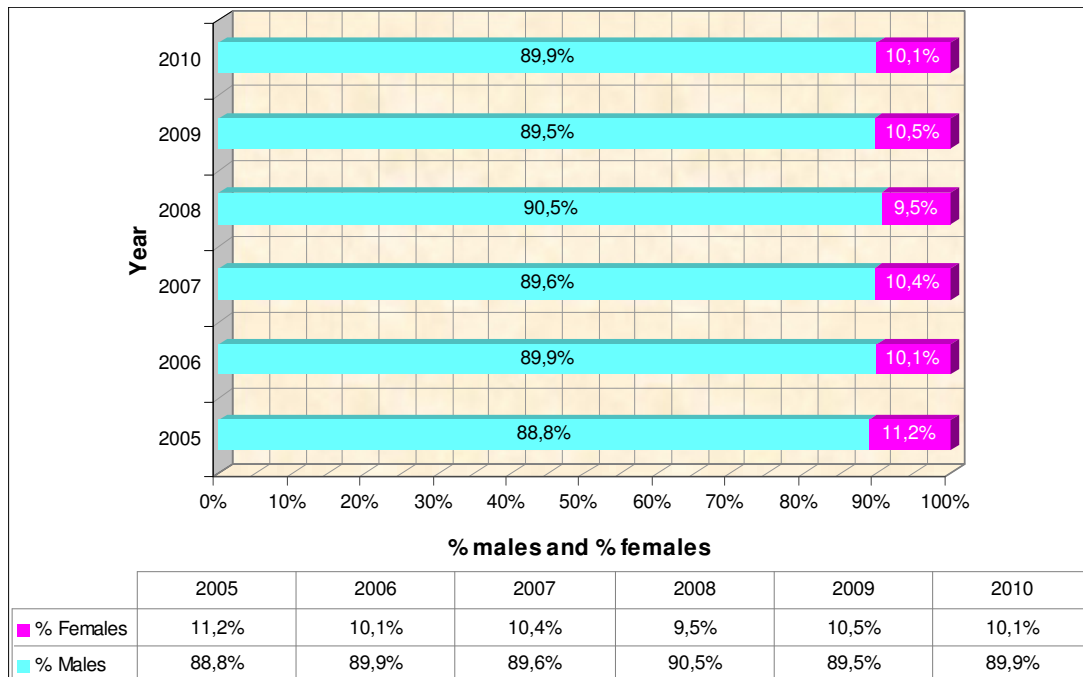
- New employees are hired utilising an objective criteria concerning education and training, experience and skills related to the position offered.
- Salaries are based on the National Collective Employment Contract for the industry category in question and also on agreements reached between the company and the union organisations. The same regulatory sources regulate disciplinary actions, promotion, redundancy and retirement.
- Training is guaranteed and based on the company's requirements. Training courses on OHS and social responsibility are organised for all the company's employees whatever position and role held.
- The company does not interfere with the freedom of each single employee to follow his/her principals.
- The integrity of the employees is safeguarded and offensive behaviour and personal harassment is unacceptable.

The women within the company organisation cover managerial roles and office positions and it is in line with the results obtained in recent years.

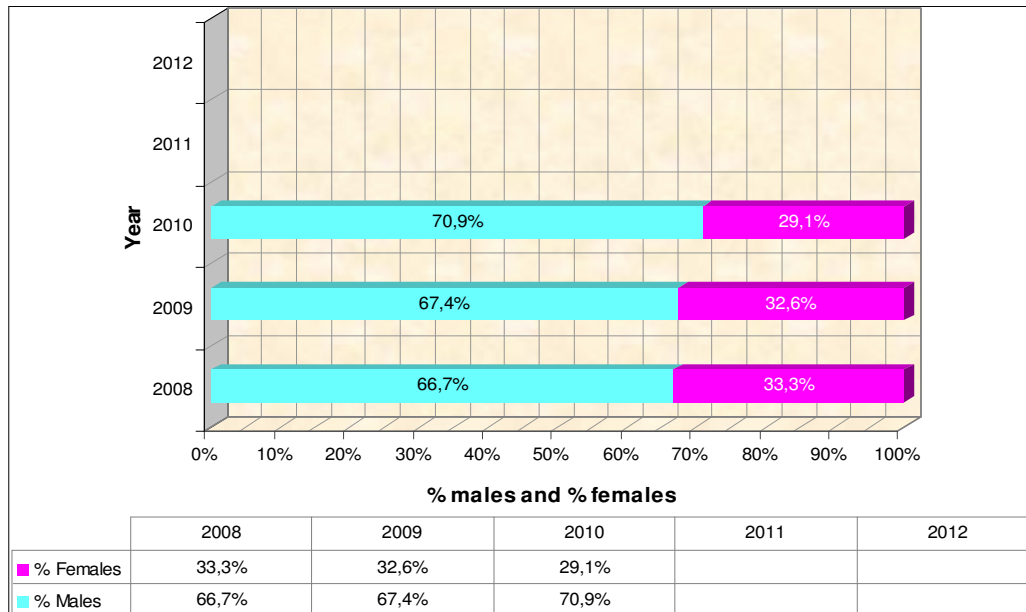
However, there are no women executive directors.

The company analysing these results has decided to maintain the current number of female employees.

SOAVE:



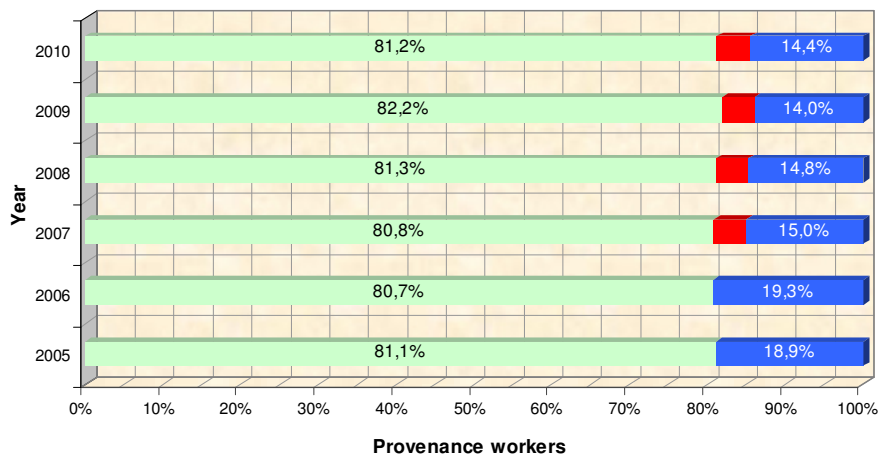
CREMONA:



The number of non-European Community workers is in line with the regional average and industry category average.

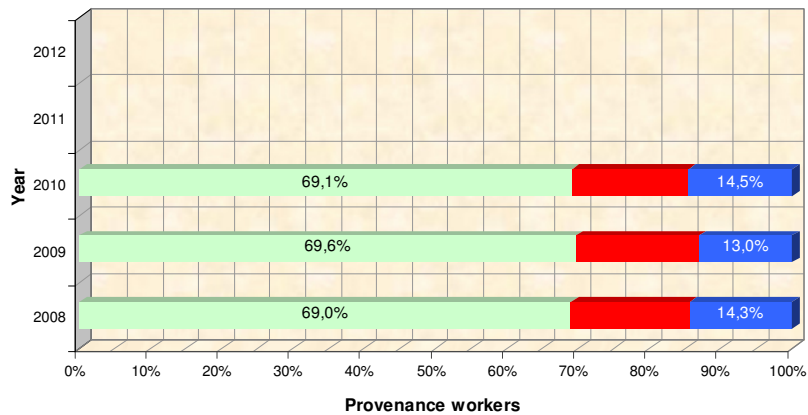
Given the current local situation the objective is to retain and maintain the current number of non-European Community workers.

SOAVE:



	2005	2006	2007	2008	2009	2010
% extra-UE	18,9%	19,3%	15,0%	14,8%	14,0%	14,4%
% UE	0,0%	0,0%	4,2%	4,2%	4,2%	4,4%
% italian workers	81,1%	80,7%	80,8%	81,3%	82,2%	81,2%

CREMONA:



	2008	2009	2010	2011	2012
% extra-UE	14,3%	13,0%	14,5%		
% UE	16,7%	17,4%	16,4%		
% italian workers	69,0%	69,6%	69,1%		

Considering the company's current policy and activities, we believe the objectives to achieve to promote improvement are:

- Monitor the "minority" categories within the company by evaluating the characteristics related to the product and labour offered, by achieving the objectives established concerning:
 - Creating external communication channels (web site etc) to provide precise information concerning corporate policy related to the prevention of discrimination within the company organisation.
 - Identifying specific informative channels to monitor the average presence of the various worker categories within companies in the same industry sector.
 - Retaining women employees in the company
 - Retaining non-EU employees in the company.

CONTROLLING DISCIPLINARY PRACTICES

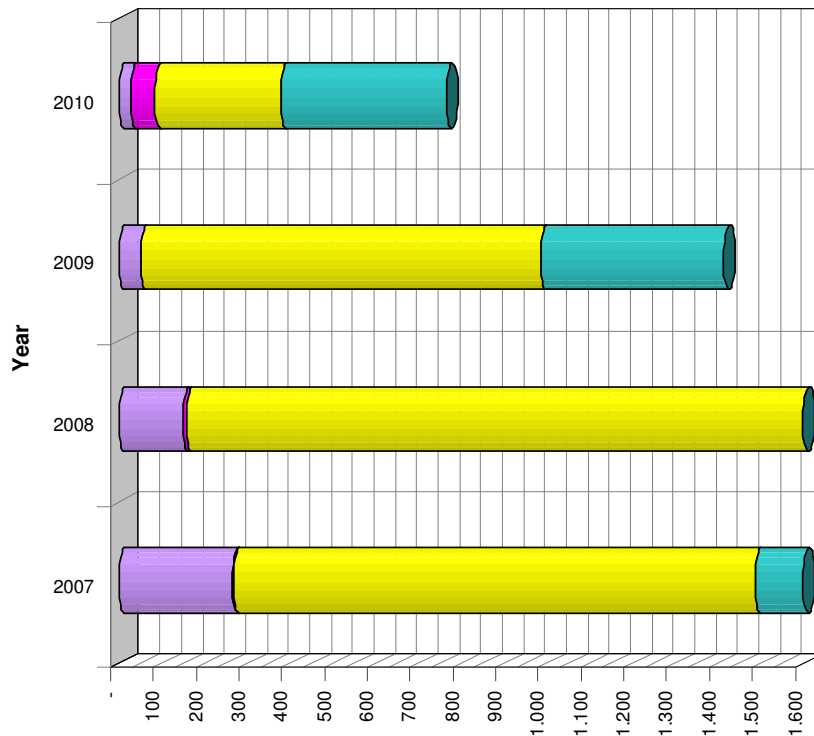
The company implements the disciplinary code provided for under the National Collective Employment Contract for the industry in question, and which is affixed to the notice board for internal communications and memos. It describes existing disciplinary practices and promotes respect and spirit of collaboration between workers.

Recourse to disciplinary actions has always been very limited as a result of the good relations within the company.

The number of formal complaints filed for acts of physical and verbal abuse, sexual harassment between the company and its workers and between workers (complaints can be presented anonymously) is currently zero.

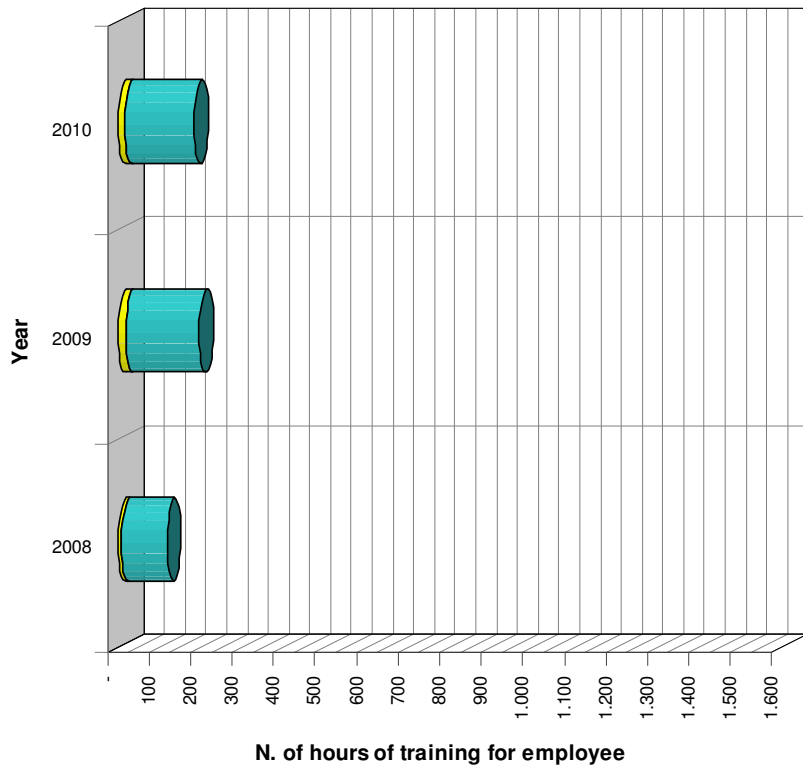
The company is concluding a training programme for all its employees aimed at illustrating how to file a complaint and complaint management methods. All complaints on work ethics, placed in the box provided, will be addressed by the employee representative for safety who has been nominated to cover this responsibility.

SOAVE:



	2007	2008	2009	2010
fac. worker	507,5	632,0	428,0	387,0
off. worker	1218,5	1621,5	933,5	295,0
manager	3,0	6,5	6,5	56,0
director	266,0	150,0	52,0	28,5

CREMONA:



	2008	2009	2010
fac. w orker	108,0	176,5	167,0
off. w orker	8,5	19,0	16,5
manager			
director			

To raise awareness in the employees regarding existing disciplinary practices and actions a questionnaire to be completed will be distributed to all employees together in their pay packet and can be left in the box provided near the changing rooms for collection.

Considering the company's current policy and activities, we believe the objectives to achieve to promote improvement are:

- Raise awareness and inform employees on the disciplinary practices and actions within the company by achieving the objectives established concerning:
 - Ensuring the employee training plan is met.
 - A yearly survey on social requisites within the company

CONTROLLING WORKING HOURS

Regular working hours for office staff are from Monday to Friday from 08:30 to 12:30 and The company allows a certain flexibility in respect to regular working hours.

Working hours for production shifts, always from Monday to Friday are:

- from 06:00 to 14:00 with half an hour lunch break:
- from 14:00 to 22:00 with half an hour break:
- from 22:00 to 06:00 with half an hour break and when required due to specific production requirements.

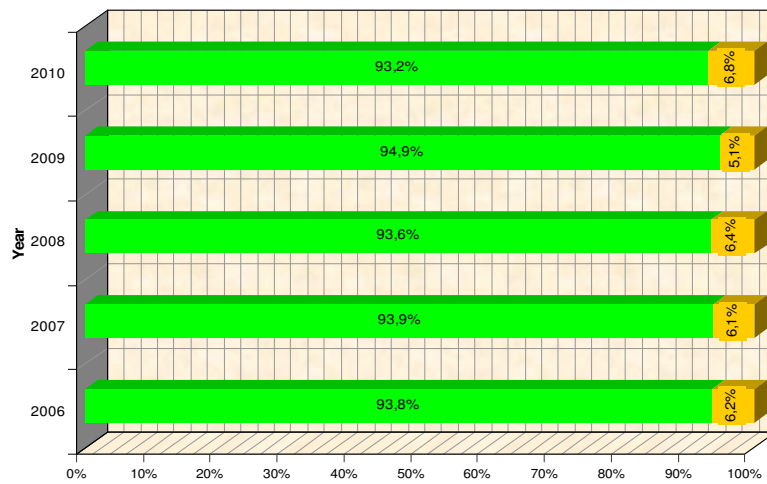
For production workers, and in particular for the warehouse (logistics) working hours can be from 08:00 to 12:00 and from 13:00 to 17:00.

The working week as defined by the National Collective Employment Contract for this industry sector consists of 40 hours.

Any changes to the working hours during a week, holiday leave and other forms of leave are agreed upon with the workers.

Overtime work is for short periods of time and for exceptional production situations which cannot be satisfied by simply hiring new staff. Overtime is agreed upon between the worker and head of department and never exceeds the restrictions provided for under the National Collective Employment Contract.

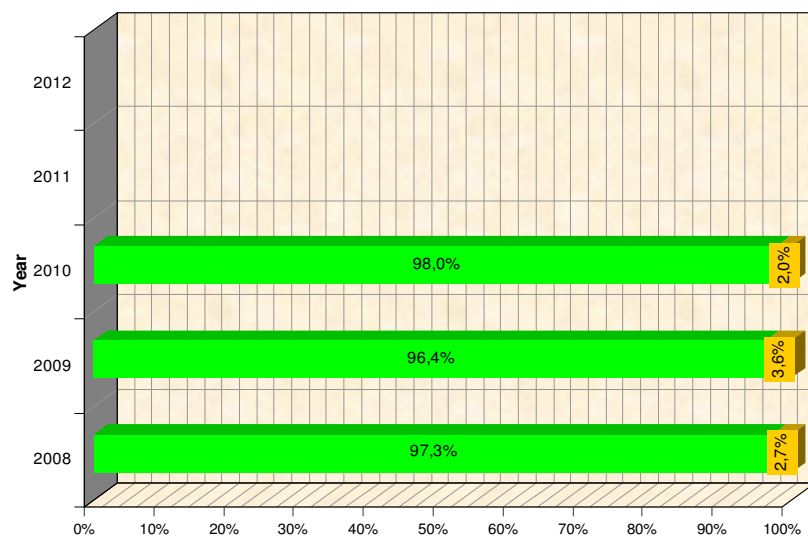
SOAVE:



Trend of total working hours

	2006	2007	2008	2009	2010
% overtime	6,21%	6,1%	6,4%	5,1%	6,8%
% regular	93,79%	93,9%	93,6%	94,9%	93,2%

CREMONA:



Trend of total working hours

	2008	2009	2010	2011	2012
% overtime	2,7%	3,6%	2,03%		
% regular	97,3%	96,4%	97,97%		

Overtime work is paid as provided for under the National Collective Employment Contract.

Considering the company's current policy and activities, we believe the objectives to achieve to promote improvement are:

- Maintain the number of overtime hours (total and per worker) by achieving the objectives established concerning:
 - Ongoing improvement in the company's organisation considering the yearly value stream for manufacturing related to production performances.

CONTROLLING REMUNERATION

The company pays its employees a salary higher than the minimum salaries defined in the National Collective Employment Contract for the industry sector in question as agreed upon with the trade unions in the employment contract addendum.

The salaries paid are sufficient to satisfy the fundamental needs of the workers and to provide them with reasonable earnings.

The payslip provides information on gross pay and the various deductions. The company does not withhold pay as a disciplinary practice or action.

The employment contracts are:

- permanent employment contract:
- temporary employment contract.

The permanent employment contract is the most utilised contract in the company, whereas temporary employments contracts are less frequent.

The average salary paid conforms to what is provided for under the National Collective Employment Contract.

A further additional sum is added to the base salary which is defined by the national contract, as agreed in the company addendum to the employment contract.

As ongoing company policy, the company also pays production bonuses when the production objectives, defined and established on a yearly basis by company management, are achieved.

Considering the company's current policy and activities, we believe the objectives to achieve to promote improvement are:

- Maintaining the buying power of the lowest salaries for factory workers by achieving the objectives established concerning:
 - Maintaining the average salary for factory workers.
 - Maintaining and improving the current salary system, based on the National Employment Contract for the industry sector and on the company addendum to the employment contract (14 months salary and result bonus)
- Raise awareness in employees regarding the company's production bonus system by achieving the objectives established concerning:
 - Periodic employee training on social responsibility (including health and safety).

CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT

The company has a CSR management system conforming to the SA8000:2008 standards, and attained certification in December 2004.

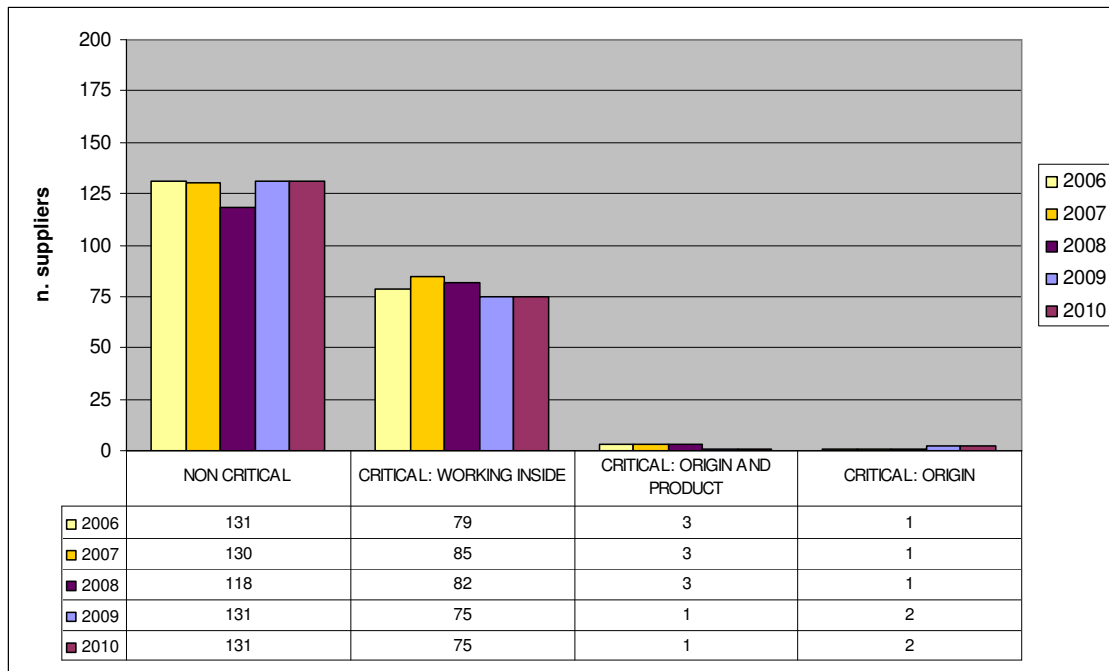
Company employees, trade unions, customers, institutions and suppliers are considered parties which are linked to the company and are directly involved in company life.

Company employees have understood the importance of this standard as part of company life, thanks to training programmes held during work hours aimed at raising awareness to this issue, and to the information provided by the company.

During the process to obtain SA8000 certification, specific attention was paid to the capacity of suppliers/subcontractors and sub-suppliers to meet the requisites required under this standard, not just because it is explicitly requested under the standard, but to deliver essential cornerstones of social responsibility, acknowledged at a global level, throughout the entire supply and production chain.

Through mapping critical activities, a supplier monitoring plan has been established.

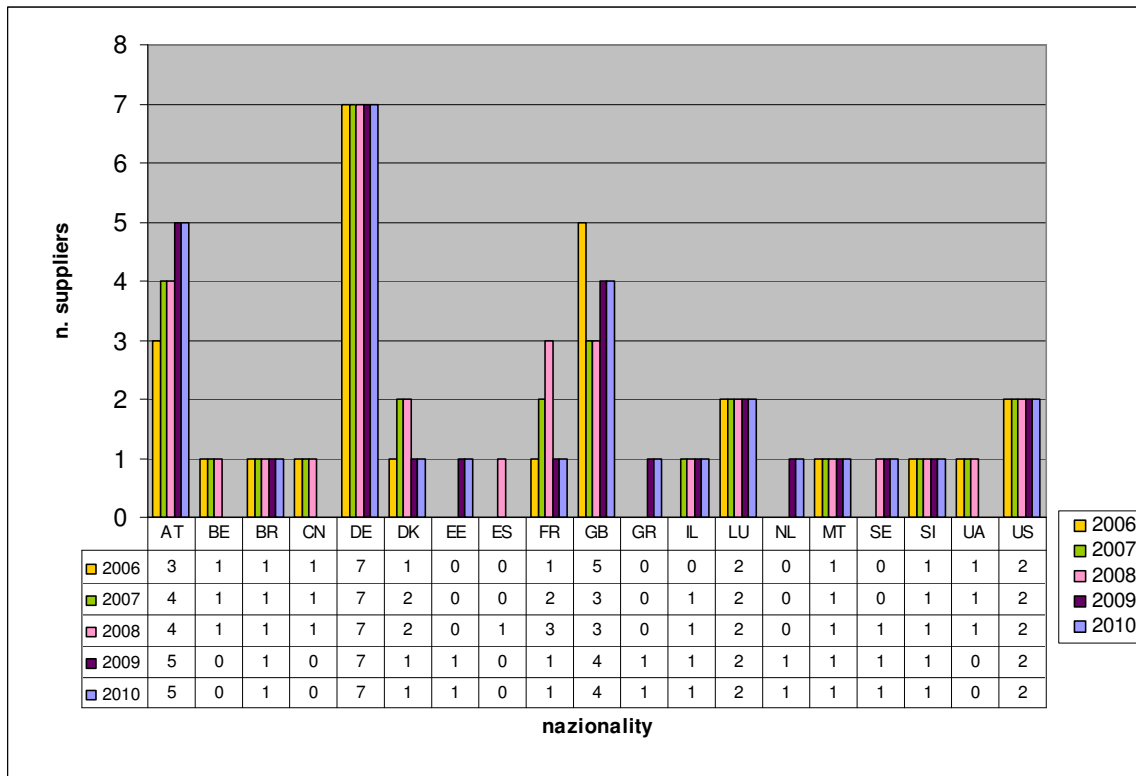
In 2010 the company intends to repeat the programme of audits at those suppliers who have shown an interest in improving their system management processes and to adapt them to this standard by correcting and improving aspects within the system considered critical.



The company also intends to extend the SA8000:2008 cornerstones to all its suppliers so that they satisfy the requirements and requisites of this standard.

Each year the company will issue its CSR policy to all its suppliers.

Sharing the CSR policy with its suppliers, the company would like to share issues considered cornerstones for encouraging and promoting a correct and beneficial relationship between Midac spa and its suppliers.



When deciding supply contracts all those companies that satisfy the SA8000:2008 requirements and demonstrate their willingness to improve their system management, will have preferential treatment.

To facilitate supplier reviewing processes a number of indicators have been established to highlight achievement of objectives and defining and establishing new objectives.

The indicators utilised for internal auditing form the main structure of this document which has been chosen by company management as the essential communication channel to provide data and information on company performance related to the requisites of the standard.

Company performance and company objectives will be above all communicated through the company's web site and when considered necessary through local media channels.

Considering the company's current policy and activities, we believe the objectives to achieve to promote improvement are:

- Adapting suppliers' management systems to the requisites of this standard by achieving the objectives established concerning:
 - Programme of audits at suppliers considered critical under the defined control plan.
 - Performing audits at suppliers identified in the control plan.
 - Defining the necessary resources for visiting and monitoring suppliers.
 - Issuing a copy of the CSR policy to all suppliers.
- Organise and run training programmes for employees on social responsibility (including health and safety).
- Modify the web site so as to deliver information on:
 - the procedure for external complaints and suggestions:
 - system management objectives:
 - CSR policy