

CORPORATE SOCIAL
RESPONSIBILITY
REPORT 2012



MAFAMUTEMCOOP
SOCIETÀ COOPERATIVA

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INTRODUCTION

DOCUMENT STRUCTURE AND GENERAL INFORMATION





CONTENT, METHODOLOGY, PREPARATION

REGULATORY REFERENCES AND DOMINANT THEMES

While the layout of the Corporate Social Responsibility Report is the same as in previous versions, significant changes have been made in the preparation process.

After this introduction, the report contains:

- › **Part One, "General aspects of the company"**, which describes the institutional, business and organisational elements of the Manutencoop Group and the economic results from 2012;
- › **Part Two, "Corporate social responsibility"**, which instead describes the main aspects characterising the year in terms of social responsibility. Once again the essential point of reference is "Europe 2020", the guidelines proposed by the European Commission entitled "Strategy for smart, sustainable and inclusive growth", with the most recent specifications and updates, which will be discussed below.

In November 2011 the European Commission published a communication entitled "A renewed EU strategy 2011-2014 for Corporate Social Responsibility", which represents the continuation and evolution of prior communications, particularly the "Europe 2020" strategy, the point of reference for the Manutencoop corporate social responsibility report.

The 2011 communication has two fundamental points:

1. **emphasis on the concept of "shared value"**, that is, on the fact that the production of a company's value is increasingly a social fact, which does not take place within the company, but within a broader and more interactive context;
2. **the outlining of a European "agenda for action"** which by 2014 should bring significant improvements to company performance and in terms of public benefits by reaching some specific objectives as regards self-regulation, improved reporting of social and environmental information and alignment of national approaches with European and global CSR.

What is considered particularly important in the position of the European Commission is that it encourages taking a long-term approach, also as regards corporate social responsibility, which is the only way to really integrate social policies within the company's overall strategy.

This corporate social responsibility report takes these instructions into due account by integrating them into the traditional reporting structure, which for Manutencoop is still the Italian Study Group for Social Reporting (GBS) Standard.

The previous corporate social responsibility report highlighted the need to describe the company's economic and social circumstances: in 2012, the economic position went through a further downturn and 2013 appears to be negative as well, especially as regards labour.

Nonetheless, Manutencoop has been able to protect employment and honour the commitments of its mission.

The section of the report that appears to be more updated and substantial with respect to previous editions is certainly the section on sustainability, for which a new process has been implemented for gathering and processing data, which will be addressed in part two.

The parties most directly involved in this process were a group of young middle managers assigned by the top management to define a set of the most significant indicators possible with respect to the Manutencoop mission and strategy, but also with respect to "their idea" of a company and a cooperative.

MANUTENCOOP AND CORPORATE SOCIAL REPORTING

Manutencoop has a corporate social reporting tradition spanning over two decades:

- › 1992 the first reporting experiments begin with the "corporate social responsibility report", a brief annex to the financial statements;
- › 1994 the document is structured based on a layout which breaks down and describes the various articles of the mission; Manutencoop is willing to carry out an experiment which then becomes a widely used model;
- › 1999 a comparison of the main indicators over three years is introduced, making it possible to compare results;
- › 2000 interaction and dialogue with stakeholders receive particular emphasis (greatly stressed by reporting principles at that time); interviews and focus groups first involve members and employees and then other categories of stakeholders;
- › 2002 ten years out the document is separated from the financial statements, and the management, from the Board of Directors to company management, becomes progressively involved; the document applies the GBS (Italian Study Group for Social Reporting) standard defined the previous year and now includes the statement calculating and allocating value added and the "social responsibility report";
- › 2004 the form and content of the document are updated to make it easier to read and understand; the "manifesto of Manutencoop social responsibility" is created and over 13,000 copies are distributed;

- › 2005 following developments within the company and the birth of the Manutencoop Group, the data - including the calculation and allocation of value added - are provided in consolidated form;
- › 2007 following an evolution in principles the reporting layout is restructured again and, more importantly, the mission is updated to take into consideration the entry of MFM's new financing members;
- › 2009 following the guidelines of a GBS research document from the previous year regarding the "Social reporting of intangibles", Manutencoop introduces a new section in its Corporate Social Responsibility Report dedicated to reporting on "intangible wealth": "the Cooperative's resources, capabilities and instruments that cannot be described by using financial figures, but which are important to meet financial and business objectives";
- › 2010 the section on "intangible wealth" becomes more significant, representing a way to interpret company events which particularly helps to stimulate participation by new parties in the preparation of the document;
- › 2011 corporate social reporting focuses even more on business and development aspects; the document is broken down based on the "Europe 2020" strategy proposed by the European Union and also takes into consideration the document "Enterprise 2020" promoted by the CSR Europe network, as a commitment and practical contribution of the companies to the strategy's objectives.
- › 2012 development of the "Metrics Project", or the shared creation of a set of quantitative and qualitative parameters to be used as the basis for corporate social reporting in the future.

STAKEHOLDERS AND DOCUMENT PREPARATION

Corporate social responsibility reports generally include what is called the "stakeholder map", or the list, in order of importance, of the primary categories of stakeholders with respect to which the company believes it has specific responsibilities. The inevitable result of this is that the list includes shareholders, customers, suppliers, employees, the social community, etc.

While it may be true and sensible, such a list does not offer particular information regarding the company's intentions. In fact, at least three aspects should be noted:

1. the company is not free to determine its own stakeholders, which exist regardless of its intention. In other words, it is not the company that creates its stakeholders, but rather its activities and performance which, in constituting social relations, have specific repercussions on specific categories of parties;
2. the level of importance of stakeholders changes over time based on the company's circumstances and strategies;
3. it should not be taken for granted that the company is fully aware of its stakeholders, since its actions can indirectly generate specific effects that it did not intend or imagine.

In essence, the concept itself of stakeholder is a simplification which helps to identify, with broad strokes, the main social relations that are established. Therefore, with the awareness that specific relationships inevitably take priority, the intentional aspect was considered more important than the general description. This means that it is more important to define which stakeholders, according to the company, are decisive at this time, for these strategic objectives and for activities as a whole.

This is why during this phase of Manutencoop's lifecycle and activities, there are some fundamental categories of stakeholders who are addressed and who are asked not only for an opinion, but for true involvement:

- › young middle managers;
- › lenders;
- › the environment.

For Manutencoop, middle managers and lenders are providers of critical resources, and the environment currently receives the most focus in terms of corporate responsibility. Obviously, this does not mean that Manutencoop does not have substantial and explicit responsibilities to other stakeholders, but just that it is particularly committed to these three categories to implement its general strategy. They could therefore be referred to as "targeted stakeholders".

As in past years, this document has been prepared with the contribution of the company's management and a considerable group of workers.

The Communication and Corporate Social Responsibility Unit handled coordination and preparation activities.

In particular, members of the "Metrics Group", which will be fully discussed below, and of the Communication and Information and Social Policies Commissions of Manutencoop Società Cooperativa made significant contributions, as did: Daniela Antonioni, Licia Avraam, Maurizio Bertelli, Antonella Bianco, Rosaria Bucci, Massimiliano De Marco, Matteo Fasolo, Micaela Ferri, Rossella Fornasari, Emanuela Gualandi, Angelo Listante, Stefania Lori, Liliana Maurizio, Linda Navelli, Andrea Paoli, Maria Teresa Petrucci, Carla Ronsini, Sandra Santi, Arianna Vincenzi.

TARGETED STAKEHOLDERS

Young middle managers

Lenders

Environment



PART ONE

GENERAL ASPECTS OF THE COMPANY





IDENTITY, STRUCTURE, GOVERNANCE

MISSION

Manutencoop Società Cooperativa is inspired by the founding values of cooperatives, which were set out in Rochdale in 1844 and are recognised, with some changes compared to the initial version, by the ICA (International Cooperative Alliance). These include the principle of voluntary membership (open door), democratic member control (one vote per person), the promotion of education and cooperative values, limitations on member compensation and cooperation among cooperatives.

It has over 600 member employees in the various Group companies and almost 750 financing members who participate in Group decision-making at periodic Shareholders' Meetings.

Via its subsidiaries, Manutencoop is able to fulfil the six parts of its Mission:

1. Guarantee job security and the best economic, social and professional conditions of members and workers by promoting their involvement and responsibility.
2. Place value upon work as a factor for freedom and a cornerstone of society. Promote new opportunities for employment and social affirmation, particularly for the unemployed and underemployed and those subject to exploitation.
3. Offer quality services with a company that continuously works to provide its customers with innovation and efficiency.
4. Contribute to improving the living conditions of people and the environment of cities for current and future generations.
5. Strengthen and develop the social economy.
6. Make the most of and provide benefits for capital contributions by members and third parties.

HISTORY

The evolution of Manutencoop from small cooperative to large Group could lead one to believe that cooperative underpinnings and practices have been set aside in favour of an increasing focus on the business and economic results.

But the history of Manutencoop and the history of its corporate social responsibility instead show how the Group's path has been exactly the opposite. Development has never been an end in and of itself, or aimed solely at profit; corporate social responsibility,

or respect and protection for workers, a focus on diversity and commitment to the territory continue to be some of the goals that direct growth.

Although it has worked to gain credibility within the market as a competitive player, Manutencoop has always remained focused on its essentially cooperative and responsible nature.

The involvement of the membership base and member participation have increased precisely when the decisions to be taken have been more difficult and innovative, at times along "unexplored" paths.

The main steps in Manutencoop's process of growth are outlined below.

1938

1938: founding

The Cooperative is founded in Bologna with the name Cooperativa Manovalanze Ferroviarie by 16 Italian State Railways contract workers.



1970-1990



1970s: new business

In 1974, the Cooperative was renamed Manutencoop.



1980s: the Operating Divisions are established
Profound structural change: the Operating Divisions are established, the customer portfolio grows and the number of employees progressively increases, eventually surpassing 1,000.

1990s: development, new markets, new territories

Business is further diversified with the addition of landscaping management. Incorporation of the cooperative Aristeia (working in the cleaning segment) and the cooperative Unicooper Ambiente from Castelfranco Veneto (specialised in waste collection). Further asset consolidation and increase in company complexity with several acquisitions: in addition to Segesta and Bsm, already controlled since 1999, the companies Mcb and BarSA were acquired in 2000 as well as, in the same year, Roma Multiservizi, in which Manutencoop is the industrial partner of the Municipality of Rome.

2000-2004



2000s: founding of Servizi Ospedalieri S.p.A. and the MFM S.p.A. Group

2000

In a bail-out, Manutencoop acquires all of the business of Fleur S.p.A. and establishes Servizi Ospedalieri S.p.A.

2003

The MFM Group is founded after the contribution by Manutencoop Società Cooperativa of the integrated services business unit and equity investments in companies operating in the Facility Management segment.

2004

MFM opens its shareholding structure to some investment funds, accounting for approximately 28% of the share capital. In July of the same year, MFM and Pirelli RE Facility Management S.p.A. enter into a joint venture to establish MP Facility S.p.A., in which MFM holds a 50% stake.

2005-2007

2005

Growth continues via the contribution of two additional business units (Hygiene Division and Landscaping Segment) and of the Cooperative's Shared Services. Also in 2005, the spin-off of the Cooperative's business unit dedicated to environmental services led to the founding of Manutencoop Servizi Ambientali S.p.A., which quickly became the leading Italian company in this segment.

2007

Acquisition of Omasa S.p.A., working in sterilisation, and Teckal S.p.A., which is specialised in Facility Management for properties organised into "networks".

2008

2008

Establishment of Small S.p.A. for the public lighting sector and Mia S.p.A., operating in lift management and maintenance. In December, Manutencoop acquires 80% of Gruppo Sicura S.r.l., specialised in supplying fire prevention and anti-intrusion systems, and 100% of Pirelli RE Integrated Facility Management S.p.A., which manages and provides integrated services and which later changed its name to Altair IFM S.p.A.



2009



2009

On 4 September 2009, the Manutencoop Società Cooperativa Shareholders' Meeting resolved to dispose of Manutencoop Servizi Ambientali S.p.A. to Aimeri Ambiente S.r.l. of the Biancamano Group, a company listed on the Stock Exchange and a main competitor of MSA, with 571 votes in favour, 31 against and 16 abstaining. In many ways, this was a historical decision for the Group and for the Cooperative, which definitively left the environmental services sector to focus entirely on the Integrated Facility Management market in which it already generates 92% of its turnover and is the leading Italian operator with Manutencoop Facility Management S.p.A. With the disposal of MSA, over 1500 employees were directly transferred to Aimeri Ambiente S.r.l. as of 14 December 2009.

2010-2012

2010-2012

Following significant acquisitions in the course of 2008, the Manutencoop Facility Management Group began a project to redefine the company and organisational structure which in the beginning of 2010 led to the merger of Altair IFM S.p.A. and Teckal S.p.A. with the parent company Manutencoop Facility Management S.p.A. and the simultaneous merger of MCB S.p.A. with MP Facility S.p.A., which in 2012 became Manutencoop Private Sector Solutions S.p.A. Merger by incorporation of Omasa into Servizi Ospedalieri. Acquisition of Telepost S.p.A., providing mailing and mail room services for the Telecom Italia Group.



GROUP STRUCTURE

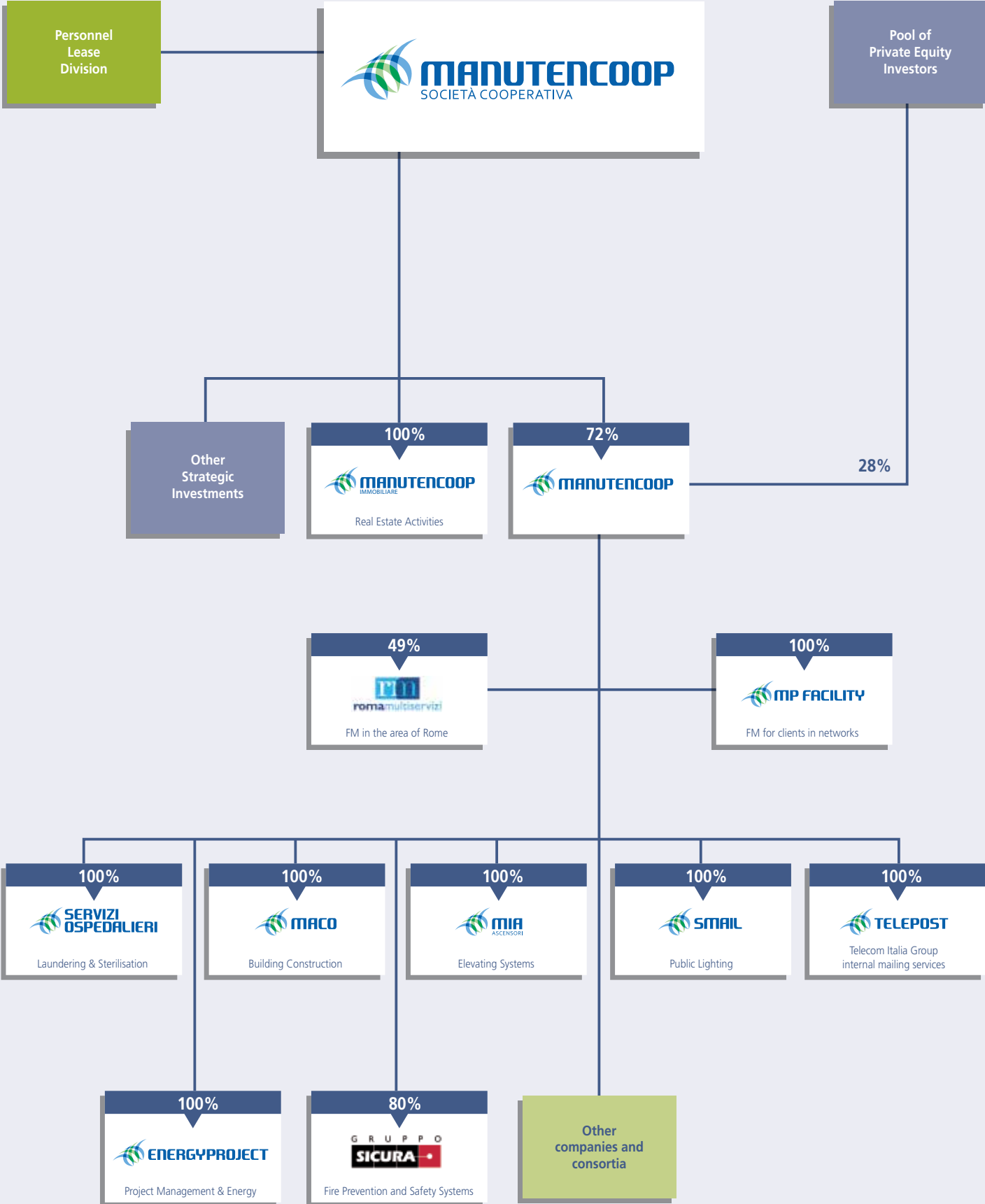
Manutencoop’s history has been shaped primarily on the basis of two priorities: excelling in an increasingly competitive market while remaining loyal to its mission and its institutional nature as a labour cooperative.

Naturally, these principles have meant having to gradually evolve in terms of complexity, size and business model: from small cooperative to enterprise organised into operating divisions (Hygiene, Landscaping, Integrated Services, Waste Disposal) to a group of specialised Companies integrated within the Group.

At the end of 2012, the outcome of this transformation can be summarised as follows:

- › Manutencoop Facility Management S.p.A., the leading Italian Integrated Facility Management Group, which manages and provides integrated services to public and private customers for buildings and the territory and in support of health care activities.
- › Manutencoop Immobiliare S.p.A., which oversees real estate assets and guides property development initiatives.

The Cooperative has always held the controlling interest in the Companies.



GOVERNANCE

Manutencoop Società Cooperativa Governance

The company bodies within the Manutencoop Società Cooperativa governance system include the Shareholders' Meeting, the Board of Directors and the Board of Auditors. The Board of Directors has 17 members and remains in office for three years. Amendments approved in 2008 introduced voting by list, a method which is also recommended by the Corporate Governance Code for listed companies and supported by the Legacoop working group for good cooperative governance.

The voting by list mechanism makes it possible for each shareholder to participate in setting out the Cooperative's strategic and governance policies by submitting lists of candidates. Each list is represented within the Board of Directors in proportion with the number of votes obtained.

The Board has four board committees, each of which is overseen by a coordinator.

The Committees are:

- › Committee for subsidiaries;
- › Labour policies committee;
- › Remuneration committee;
- › Internal control committee.

The Committees handle the applicable affairs and propose discussions during Board meetings, thereby attributing accountability to individual directors and their coordinators.

The current Board of Directors was elected by the Shareholders' Meeting on 28 May 2011. Only one list was submitted during the elections.

The Board of Directors exclusively holds all authority for the ordinary and extraordinary management of the Cooperative, unless authorisation from the Shareholders' Meeting is required under the Articles of Association.

In the course of 2012, the Board met 11 times, with average attendance of 15.3 Directors per session, or 90.3%.

Summary of the main characteristics of the current Board of Directors

Age range	
31 - 45 years	7
46 - 60 years	8
Over 60 years	2
Job classification	
Executives	4
Middle managers	3
White-collar workers	4
Blue-collar workers	4
Pensioners	2
Gender	
Female	7
Male	10
Type of member	
Member employee	15
Financing member	2

The list of Board members provided below also takes into consideration replacements made from 2011 to date.

Board of Directors	
Claudio Levorato	Chairman
Giuliano Di Bernardo	Deputy Chairman
Sabrina Annovi	Operations Department - Emilia Area Hygiene Services Modena
Licia Avraam	Human Resources Department - Manager of the Personnel Lease Division
Antonella Bagni	Servizi Ospedalieri - Emilia Romagna and Lombardy Area Manager
Diego Bassini	Financing Member
Elsa Bernacchi	Operations Department - Centre Area Manager
Claudio Bonafè	Operations Department - Emilia Area Account
Paolo Di Risio	Operations Department - Lombardy Area Manager
Luigi Facchini	Operations Department - Emilia Area Region Head Energy Services Bologna Centre
Francesco Francia	Purchasing Department - Plants Line Manager
Anna Lisa Infante	Technical Business Department - Coordination of energy service projects
Giuliano Macchiavelli	Operations Department - Emilia Area Landscaping Management
Mauro Masi	MACO S.p.A. - Chairman and Managing Director
Carmela Preziosi	Operations Department - Emilia Area Hygiene Services Bologna
Lorena Scalorbi	Hygiene Services Quality Control Supervisor
Andrea Schirru	Operations Department - Emilia Area Landscaping Services Bologna

01 INFO

TRAINING OF THE BOARD OF DIRECTORS

The complexity of issues under the responsibility of the Cooperative's Board of Directors made it necessary for directors to possess adequate tools to gain knowledge of and interpret economic and company events.

As a result, several specific training courses were provided, some which took place during the term of the previous board (2008-2011), and some which took place during the current board's term.

Specifically, since 2011 training initiatives have been sim-

plified as well as rendered more in-depth than in the past: "lessons" are less frequent and, unlike in previous years, the instructors were the directors and managers of the Cooperative and of Manutencoop Facility Management, with the Board itself preparing topics and questions to be addressed ("fundamental questions for the management").

To date, the following matters have been discussed:

> the economic and financial aspects of the company -

structure, outlooks, challenges;

> labour and labour policies - development, efficiency and mutuality;

> production, customers and value - the Manutencoop "formula" and its outlooks;

> mutuality, members, and the Manutencoop rules;

The next topics will cover commercial policies, customers and control and reporting systems.

The Board of Statutory Auditors includes 3 statutory auditors and two alternates, and the Chairman is appointed by the Shareholders' Meeting.

Statutory auditors remain in office for 3 years until the date of the Shareholders' Meeting called to approve the financial statements of the third financial year of their term in office. The Board of Statutory Auditors supervises to ensure compliance with the law, the Articles of Association and the principles of correct management, particularly the adequacy and correct functioning of the Company's organisational, administrative and accounting structure.

The Cooperative's governance is not limited to the institutional bodies, and it also includes 10 Members Committees and 2 Commissions.

Board of Statutory Auditors	
Chairman	
Germano Camellini	
Statutory Auditors	
Antonio Gabriele Cenni	
Gianfranco Santilli	
Alternate Auditors	
Paolo Motta	
Gian Marco Verardi	

Manutencoop Facility Management S.p.A. Governance

Manutencoop Facility Management S.p.A. has implemented a dual Corporate Governance system.

The dual model is inspired by the principle of the clear separation between control and guidance activities, entrusted to the Supervisory Board, and Group management and administration, entrusted to the Management Board.

The Manutencoop Facility Management S.p.A. Supervisory Board has 9 independent members, and in 2012 it met 12 times with average attendance of 87%.

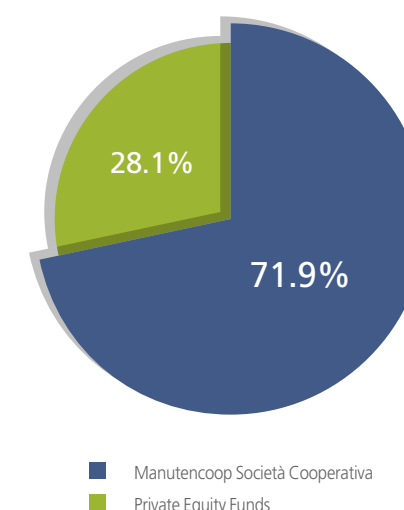
The Management Board has 11 members and in the course of 2012 it met 13 times with average attendance of 91.6%.

Supervisory Board		
Fabio Carpanelli	Chairman	Chairman of the "Storia e civiltà della Cooperazione" Foundation and Autostazione di Bologna S.p.A. and Director of IGD Immobiliare Grande Distribuzione S.p.A.
Antonio Rizzi	Deputy Chairman	Private law professor at the University of Florence, barrister of the supreme court
Stefano Caselli	Director	Full Professor of Economics of Financial Intermediaries at "L. Bocconi" University
Roberto Chiusoli	Director	Certified Public Accountant
Guido Corbetta	Director	Full Professor of Business Strategy and Policy at "L. Bocconi" University and Director of Bocconi Graduate School
Massimiliano Marzo	Director	Associate Professor of Political Economics at the Department of Economic Sciences, Faculty of Economics at the University of Bologna
Massimo Scarafuggi	Director	Certified Public Accountant
Pierluigi Stefanini	Director	Chairman of Unipol Gruppo Finanziario S.p.A.
Giovanni Toniolo	Director	Professor of Economics at the Free International University for Social Studies (LUISS) in Rome. Author of scientific articles for publishers Cambridge University Press and Laterza

Management Board	
Claudio Levorato	Chairman and Managing Director for Business Management
Benito Benati	Auditor
Leonardo Bruzzichesi	Private Equity Partners S.p.A., where he also manages the Shanghai representative office
Marco Bulgarelli	General manager of Cooperare Sviluppo S.p.A.
Marco Canale	Deputy general manager of Monte dei Paschi di Siena Venture SGR S.p.A.
Stefano Caspani	Direct funds investment manager at IDEA Capital Funds SGR S.p.A.
Giuliano Di Bernardo	Deputy Chairman of Manutencoop Società Cooperativa
Massimo Ferlini	Chairman of Compagnia delle Opere in Milan
Mauro Masi	Chairman and Managing Director of MACO S.p.A.
Marco Monis	Director of the board of 21 Partners SGR S.p.A.
Luca Stanzani	Manutencoop's Communication and Corporate Social Responsibility Unit Manager

The Manutencoop Facility Management S.p.A. shareholding structure includes Manutencoop Società Cooperativa with a 71.9% stake and Private Equity Funds which hold 28.1% of the share capital.

Manutencoop Facility Management S.p.A. shareholding structure



MFM S.p.A. Shareholders			
	Number of shares	Paid-up capital (€)	%
Manutencoop Società Cooperativa	78,466,434	78,466,434	71.9
MP Venture SGR	6,063,867	6,063,867	5.5
Private Equity Partner	5,700,034	5,700,034	5.2
Idea Capital Funds	4,365,984	4,365,984	4
21 Investimenti SGR	3,465,067	3,465,067	3.2
Cooperare S.p.A.	3,465,067	3,465,067	3.2
Unipol Merchant	2,598,800	2,598,800	2.4
Nordest Società di Gestione	1,732,534	1,732,534	1.6
Mediobanca	1,732,533	1,732,533	1.6
NEIP II S.p.A.	866,267	866,267	0.8
Sviluppo Imprese Centro Italia SGR	693,013	693,013	0.6
Total	109,149,600	109,149,600	100

The Company is managed by the Management Board appointed by the Supervisory Board, which decides on the number of members upon appointment.

The Management Board is responsible for company management and carries out all necessary, useful or in any case appropriate transactions to achieve the business purpose. The Management Board meets at least once per month.

The Supervisory Board is elected by the Shareholders' Meeting on the basis of lists submitted by shareholders. The Supervisory Board approves the separate and consolidated annual financial statements, appoints members of the Management Committee and determines

their compensation, exercises supervisory functions, assesses the level of efficiency and adequacy of the internal control system and reports to the Shareholders' Meeting on internal supervisory activities carried out.

To most effectively fulfil its responsibilities, the Supervisory Board has established 3 board committees:

- › Internal control committee;
- › Appointments committee;
- › Remuneration committee.

The Supervisory Board meets at least once per month.

The accounts are audited by an independent auditing firm that satisfies legal requirements.

ETHICS

In all that it does, Manutencoop is inspired by ethical principles and promotes the values of quality of life with respect for the environment and individuals. This is why it considers:

- › its workers to be a strategic resource, ensuring that their rights are respected and promoting their professional and personal development;
- › its suppliers to be partners for the development of corporate social responsibility;
- › its customers to be the fundamental element of its success, providing them with service that reflects the Company's ethical conduct.

The company has two important tools: the code of ethics and a Corporate social responsibility management system in accordance with international standard SA8000:2008.

The Code of Ethics outlines the principles and values that inspire Manutencoop's activities and business affairs, as well as the rights, duties, rules of conduct and responsibilities of all parties with which it enters into contact to achieve its business purpose.

On this basis, Manutencoop:

- › has made the fundamental commitment to comply with the law and with regulations in general;
- › states that it adheres to the general principles of honesty, transparency, good faith, fairness, integrity and confidentiality;
- › commits to always acting with the utmost diligence, impartiality, loyalty, spirit of cooperation and moral and professional rigour;
- › promotes the correct and beneficial use of resources and safety in the conduct of work activities;
- › commits to adhering to the principles of truthfulness, transparency, accuracy, completeness and compliance with regulations in force of accounting information and to adopting efficient and effective internal control systems;
- › ensures awareness of the Code of Ethics and its broad distribution, both within the organisation and among the relevant third parties;
- › verifies continuous and correct compliance with the Code of Ethics, applying the suitable penalties for violations;

02 INFO DIALOGUE UNDER WAY

Italian Legislative Decree 231/2001 legislatively defined the administrative liability of companies and offered them an additional possibility to reflect on their relations with stakeholders, their organisation and their functioning, and finally on the resulting subjective liabilities.

Some companies adopted two models of the Code simultaneously, in that they were closely connected: the model pursuant to Italian Legislative Decree 231 and that which is normally referred to as the "CSR", i.e., aimed not so much at specifying the civil liability of bodies or the management as at "promoting" ethical conduct. In other cases, Code 231 is supplemented with rules and specifications that better identify ethical liability with respect to specific categories of parties.

In fact, it must be kept in mind that the purpose of Codes of Ethics is to supplement companies' regulatory systems while also making them more stable and coordinated by avoiding any conflicts, which come up rather frequently in large organisations, as much as possible.

This issue and these possibilities are some of the topics that Manutencoop is reflecting upon and that will be analysed and subject to experimentation in the near future. The idea is to begin a moment of cultural assessment within the "Metrics Group".

Violating the rules and not respecting the principles set out in the Code of Ethics impacts the relationship of trust with the Company; compliance with the Code is one of the contractual obligations of employees.

As regards standard SA8000:2008, Manutencoop undergoes two inspections by the certifying body each year on operational as well as documentation-related aspects.

The company is reviewed each year and recertified every three years.

Manutencoop has identified a Management Representative for Ethics and every five years employees elect one Workers' Representative for Ethics for each area: Northwest; Northeast and Emilia; Centre; South and Telecom. The last election took place in 2011.

Reports, strictly in anonymous form, are collected by the Workers' Representatives for Ethics and recorded in a dedicated register which, to ensure transparency, is also published on the company portal. In 2012, 10 ethical complaints were received: 9 written and signed by individuals and 1 submitted by a group of workers.

All complaints were handled by the Management Representative for Ethics and the Manutencoop Quality and Environment Unit.

Finally, suppliers also undergo periodic checks to review compliance with ethical principles. In 2012, 38 audits were planned and of these 11 were carried out. The remaining audits were postponed to the subsequent year at the request of the supplier for economic reasons - particularly the lasting economic and employment crisis especially in the building segment - or due to serious impediments such as in the case of suppliers working in the Emilia area which was affected by the earthquakes of 20 and 29 May 2012.

03 INFO LAW 231/2001

Italian Legislative Decree no. 231 of 2001 introduced the "Liability of entities for administrative offences connected to criminal acts" into our legal system with the intent of stemming the commission of crimes by parties within organised and complex structures.

The adoption of an Organisation, management and control model pursuant to Italian Legislative Decree 231/2001 and its effective and continuous implementation not only represent grounds for the Company's exemption from liability for the commission of certain types of crime, but it is also an act of corporate social responsibility enacted by Manutencoop Facility Management for the benefit of all shareholders: members, employees, creditors and all other parties

whose interests are connected to the fate of the Company.

Manutencoop Facility Management has established a body with autonomous initiative and control authorities that is tasked with supervising the functioning of and compliance with the 231 Model and updating it. This body consists of:

- › a representative from the Legal Office;
- › an outside professional;
- › a member of the Management Board without executive authorities.

One member of the Supervisory Board (as well as the Chairman of the Control Committee) must have a standing invitation.

The Supervisory Board remains in office until the end of the term of the

Management Board which appointed it and its members may be re-elected. Significant changes were made to legal provisions in the second half of 2012 that fell within the area of application of Italian Legislative Decree 231/01.

In particular, Law 190/2012 introduced the crime of "undue incitement to give or promise gifts" and the crime of "employment of illegally staying third-country nationals", which the Company considered appropriate to include in its model in a new special dedicated section.

After the changes were made, Manutencoop Facility Management S.p.A. completed the updates to the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01.

The update to the Model, considering both legal assessments and analyses of the new regulatory framework, was based on amendments to procedures, the introduction of new activities and findings/suggestions which arose from the controls.

The Model updating process also included approval by the Supervisory Body, a joint body which operates on the basis of a Regulation that is sent to the Management Board for informational purposes.

In 2012 the Supervisory Body had a total of 4 formal meetings.

With respect to audit activities, the Supervisory Body approved the proposed working plan for internal control activities in the year 2012 at its first meeting of 2012, as required by the Model.



COMPANY

1,077.7

million euros
Turnover

60

million euros
EBIT

33.4

million euros
Consolidated net profit

254.3

million euros
Shareholders' equity

STRATEGIC REFERENCES

Manutencoop's primary strategic policies are summarised in the figure on the following page, which will be taken up and developed in the second part of this report.

These lines of action were defined in the 2011 plan and, with very few changes, they are now in their third year of validity. This three year period has been extremely difficult for the economy (particularly the Italian economy), so it may not be clear why objectives and areas of action have not changed in such a turbulent and negative environment. So, an explanation is in order:

1. growth in the market in which Manutencoop carries on business has slowed further, however by much less than in many other segments, given the nature of its activities and the still strong propensity towards outsourcing non-core services, especially in the public sector;
2. the effects are felt more in profit margins than in volumes, despite their overall reduction, which makes it necessary to focus on streamlining and efficiency;
3. there is a notable difference between the private and public sectors, since the former has been more affected by the crisis, resulting in in-sourcing procedures which are still in progress; however, this entails a combination of critical aspects: in the private market there has been a real reduction along with a significant increase in competition; in the public market, volumes have remained relatively stable, however with decreasing margins and increasingly extended and uncertain payment terms; this circumstance adds the issue of the availability of working capital to fund operations to the problems associated with margins and volumes;
4. therefore, Manutencoop has three main challenges in the short term: market, margins and funding; the company's configuration and market position should be defended and - if possible - further improved, and the only way to do this is to continue with the initiatives recently launched: this is why new opportunities are being sought out in the market and an effort is being made to update all production and operational aspects, and finally, why larger sources of funds of longer durations and with greater risk participation are needed;
5. all of this requires the company to adapt continuously even while its main objectives remain unchanged; as usual for Manutencoop, this improvement process is not essentially "structural", but rather it is a social process of participation in the sense that - taking into consideration the nature of its activities - it is the knowledge of each operator and worker that guarantees profitability, the commitment and insight of the management that make it possible to achieve product and market innovation, and dialogue, collaboration and sharing with lenders and partners in general which ensures that resources for management and growth can be obtained.

Albeit in summary form, these are the foundational principles which inspire the strategy and confirm its validity. In essence: the strategic objectives are confirmed, since even in the current climate it is deemed that these objectives can best guarantee success, even as domestic economic conditions continue to decline.



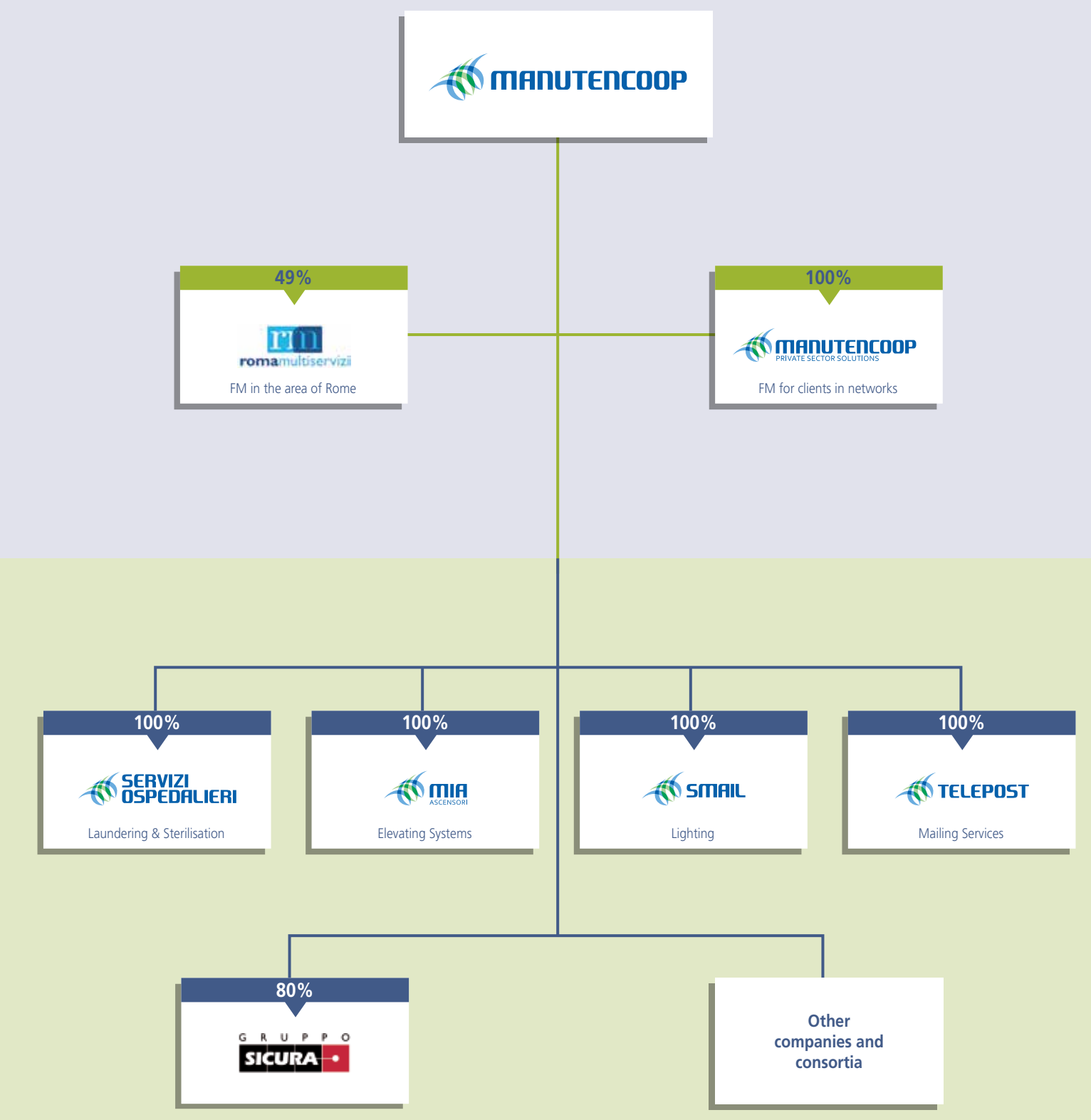
THE GROUP AND ITS COMPANIES

The business purpose and principal activity of the parent company Manutencoop Società Cooperativa is personnel leasing to companies, entities and associations. The Cooperative's business purpose also envisages providing personnel administration, recruiting and selection services, industrial relations advisory services and administrative consulting and services, as well as Call Centre and Contact Centre services.

By Ministerial authorisation of 13 June 2007, the Ministry of Labour and Social Security authorised Manutencoop Società Cooperativa to provide personnel leasing services in accordance with the provisions of Italian Legislative Decree no. 276 of 10 September 2003.

Manutencoop Facility Management S.p.A., the most important subsidiary of Manutencoop Società Cooperativa, is parent company of the leading Italian Integrated Facility Management Group, which manages and provides integrated services to public and private customers for buildings and the territory and in support of health care activities.

Facility Management Services



Speciality Services

With decades of solid experience gained by Manutencoop Società Cooperativa, whose Facility Management business units were transferred to Manutencoop Facility Management in 2003, the Group provides a broad and coordinated range of services throughout Italy to support the streamlining and quality improvement of the non-strategic and auxiliary activities of large private groups, public entities and health care facilities.

The Group's services can be broken down into two main areas:

› **Facility Management Services**

Property management and maintenance services (environmental hygiene, technical maintenance services, landscaping, logistical services, auxiliary services, heat management).

› **Specialty Services**

Laundrying & Sterilisation (linen rental and industrial laundrying and sterilisation of linen and surgical instruments in the health care field), lighting, elevating system maintenance and management, fire prevention and safety products and systems.

The Group companies, specialised in providing a wide range of services or operating in specific market segments, are able to best meet the most varied customer requirements.

› **SERVIZI OSPEDALIERI S.p.A. (wholly owned)**

Servizi Ospedalieri was bought by Manutencoop Società Cooperativa in 2000 with a view to expanding the range of Facility Management services offered to public and private "health care customers". It has been a Manutencoop Facility Management S.p.A. subsidiary since 2007. It works in the Laundrying & Sterilisation sector: it offers laundrying and rental of hospital linens, designs and manages sterilisation facilities for surgical instruments and provides sterile operating room kits in re-usable technical fabric.

With 5 production facilities and 19 sterilisation facilities, it is able to process and distribute approximately 40 million kg of linens per year, it manages over 45,000 beds and packages over 100,000 surgical instrument kits annually.

› **MANUTENCOOP PRIVATE SECTOR SOLUTIONS S.p.A. (100%)**

Manutencoop Private Sector Solutions S.p.A. is the Group company specialised in Facility Management for private groups with a "network" structure: bank branches, chain stores and operational locations. MPSS is able to manage all property maintenance services as well as create and set up new turnkey points of sale or agencies. THE management of all of the Telecom Italia Group's real estate is outsourced to this company.

› **ROMA MULTISERVIZI S.p.A. (49%)**

Founded by the Municipality of Rome in 1994, Roma Multiservizi became part of the Manutencoop Group in 2000. It handles integrated services for the city of Rome.

› **SMAIL S.p.A. (100%)**

Smail, established in autumn 2008, is specialised in the management, maintenance and development of public lighting networks, artistic lighting equipment and traffic signalling systems owned by municipal administrations.

› **MIA S.p.A. (100%)**

The Manutencoop Group Company Mia was founded in the autumn of 2008 and is specialised in lift and elevating system management and maintenance.

› **GRUPPO SICURA S.r.l. (80%)**

The Sicura Group, which became part of the Manutencoop Group in 2008, provides systems, products and services for fire prevention, machinery protection and the safety of assets and people throughout Italy through its various subsidiaries.

› **TELEPOST S.p.A. (100%)**

Telepost became part of the Manutencoop Group in October 2011 and handles internal mailing services for the Telecom Italia Group.

ACTIVITIES AND SERVICES

Facility Management Services

Facility Management consists of logistics and organisational support services provided for property users with the goal of optimising the management of activities conducted within the building.

The Group provides the following Facility Management Services:

› **TECHNICAL AND MAINTENANCE SERVICES**

These include a defined set of management, operating and maintenance services for building components and plants serving buildings (heat, electricity, water plants, elevating systems, etc.).

These services also include the design and execution of renovations and works to adapt to safety standards and the design and installation of devices for energy savings and to reduce emissions of pollutants into the atmosphere.

› **LANDSCAPING**

Set of services for the design, creation and maintenance of green spaces: from the green spaces of health care facilities or management offices to the entire green infrastructure of a city or Municipality.

FACILITY MANAGEMENT SERVICES

Technical and maintenance services

Landscaping

Environmental hygiene

Auxiliary services

Logistical services

Property management

Energy services

› ENVIRONMENTAL HYGIENE

Cleaning and hygiene, sanitation, disinfection, pest control and rat extermination services.

› AUXILIARY SERVICES

Customer support services such as internal mail-room services, doorman and reception services, access control, space management and space planning, move in - move out.

› LOGISTICAL SERVICES

Specialist services provided mainly for the health care sector: pharmaceutical logistics, integrated management of hospital supply storerooms, medical/surgical device management, office supply management, record management and archiving, movement and transport of biological materials and laboratory specimens, patient movement and transport.

› PROPERTY MANAGEMENT

Coordinating the management of all property obligations within a single process, with the aim of maximising profitability, especially by collecting the documentation needed to provide the service in terms of maintenance, tax and administration.

› ENERGY SERVICES

Complete building climate control management: from fuel supply, management and maintenance, to the renovation and optimisation of heating and air conditioning plants. Manutencoop Facility Management offers results-based contracts, takes responsibility for the efficiency of building systems and ensures that planned climate parameters are met.

Specialty Services

The Specialty Services area includes a series of highly specialised services that can also be provided separately and which can, from time to time, integrate Facility Management, allowing the Group to further complement its service offerings and respond to the increasing demand for integrated specialised services.

SPECIALTY SERVICES

Laundry & sterilisation

Fire prevention and safety systems and services

Lighting

Elevating system management and maintenance

› LAUNDERING & STERILISATION

Services provided by the subsidiary Servizi Ospedalieri S.p.A., consisting of support to the health care sector, including: linen, packaged linen and mattress rental and industrial laundering service, linen room management, integrated internal logistics, supply and sterilisation of re-usable technical fabrics for the operating room, and the design, implementation and management of sterilisation units.

› FIRE PREVENTION AND SAFETY SYSTEMS AND SERVICES

This activity, provided through the subsidiary Gruppo Sicura, entails the supply, installation and maintenance of equipment and systems for individual and machine safety (fire prevention systems, anti-intrusion systems).

› LIGHTING

Services, provided through the subsidiary Smail S.p.A., supporting the management and maintenance of public lighting systems owned by Municipal Administrations. Management and maintenance can also be provided for indoor lighting in public and private buildings.

› ELEVATING SYSTEM MANAGEMENT AND MAINTENANCE

Installation, management and maintenance of Elevating systems for large office buildings and for the retail segment (e.g., individual condominiums), provided by the subsidiary Mia.

FINANCIAL HIGHLIGHTS

Group revenues reached € 1,077.7 million, basically in line with the previous year if it is taken into consideration that:

- › in the Manutencoop Facility Management sub-group, the M&A transactions completed during the year and in the previous year led to a € 14 million increase in the value of production compared to last year, with a decrease in revenues of € 10 million on a like-for-like basis. This decrease was due to the decision to leave the building, photovoltaic and project management markets as a result of the crisis in those segments and of the main reference customers;
- › also due to the crisis in the real estate market and the Group's decision to exit that business, the construction and sale of properties carried out via the subsidiaries Manutencoop Immobiliare and Sies decreased by € 11 million compared to the previous year, when an extraordinary disposal was completed for all activities in the start-up phase.

04 INFO

GLOSSARY

EBIT (Earnings Before Interests and Taxes): indicates the company's capacity to generate income.

EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortisation): this is the real indicator of the capacity to generate income from ordinary activities.

CAGR: compound annual growth rate, a ratio that represents the average growth rate of a certain value (in our case, turnover) over a specific period of time.

Shareholders' equity: equity owned by the company, consisting of capital contributed by members and the reserves set aside over time (we know that in cooperatives these reserves cannot be distributed amongst the members and that if business is terminated they are only used for mutualistic purposes).

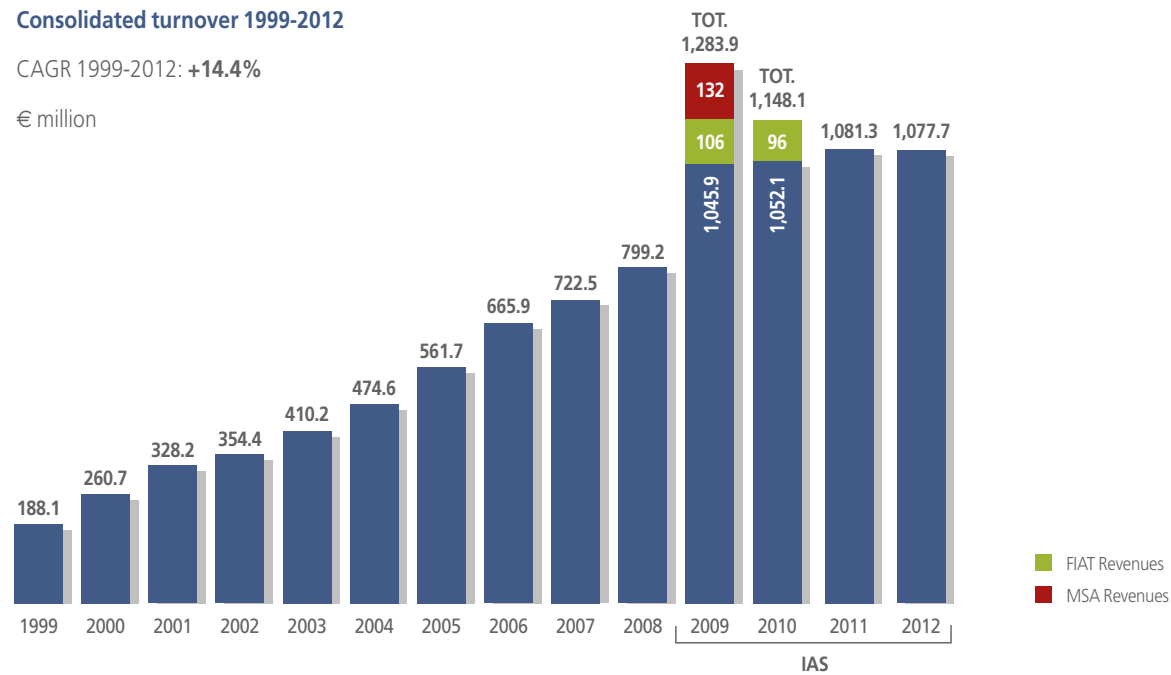
Net financial position: net total amount of interest-bearing payables. It equals the sum of all interest-bearing debt positions and available cash, and indicates the amount of total debt at a particular moment.

Put Option: this is an option to sell shares under specific conditions set forth in a contract. In the case of Manutencoop, it represents the ability of financing members - the Private Equity Funds - to sell shares held in MFM S.p.A., equal to 28.1% of the share capital, to Manutencoop Società Cooperativa.

Consolidated turnover 1999-2012

CAGR 1999-2012: +14.4%

€ million



There was a decrease in consolidated operating profit (EBIT) compared to the previous year, from 6.38% in 2011 to 5.56% in 2012.

Please note that in the current year, as a result of the negative economic situation and the resulting significant insolvencies, the Group has allocated € 12.5 million to the bad debt provision (€ 8 million increase compared to the previous year). Finally, net of any offsetting, allocations of € 12.3 million were made against risks linked to the closure of commercial dealings concerning production orders and, to a lesser extent, costs associated with the internal production resource streamlining processes.

Consolidated EBIT 1999-2012

€ million



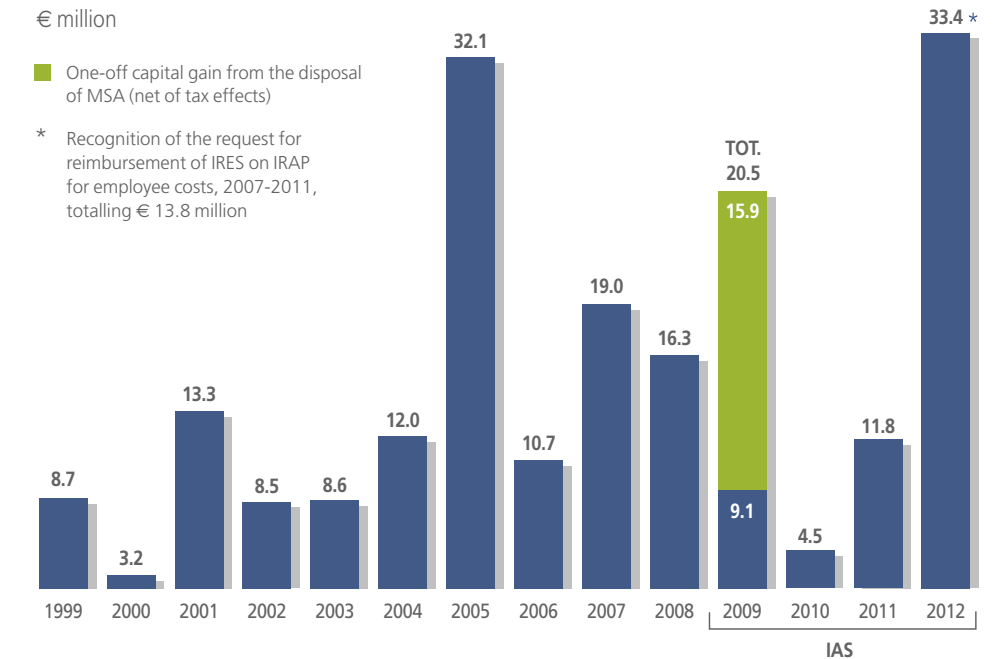
The total net profit recorded in the consolidated statement of income increased by € 21.6 million to € 33.4 million, compared to € 11.8 million in the previous year.

Consolidated net profit 1999-2012

€ million

■ One-off capital gain from the disposal of MSA (net of tax effects)

* Recognition of the request for reimbursement of IRES on IRAP for employee costs, 2007-2011, totalling € 13.8 million



The Group's shareholders' equity decreased to € 254.3 million compared to 2011.

In 2012, net financial indebtedness increased by € 187.4 million from € 368.6 million at 31 December 2011 to € 556 million at 31 December 2012.

The largest changes are summarised below:

Net investments

Investments net of disinvestments by the Group in tangible and intangible assets amounted to € 44 million in 2012, including € 35 million in tangible assets and € 9 million in intangible assets. In 2012, investments in tangible assets were primarily for the purchase of linen and other production investments by Servizi Ospedalieri S.p.A., working in the linen rental and industrial laundering and sterilisation segments. A building in Lucca which is currently being renovated was also purchased to support the linen rental and industrial laundering service carried out in that city.

The increase in investments in intangible assets compared to the previous year was caused primarily by costs incurred by the subsidiary Manutencoop Facility Management S.p.A. associated with the company information systems.

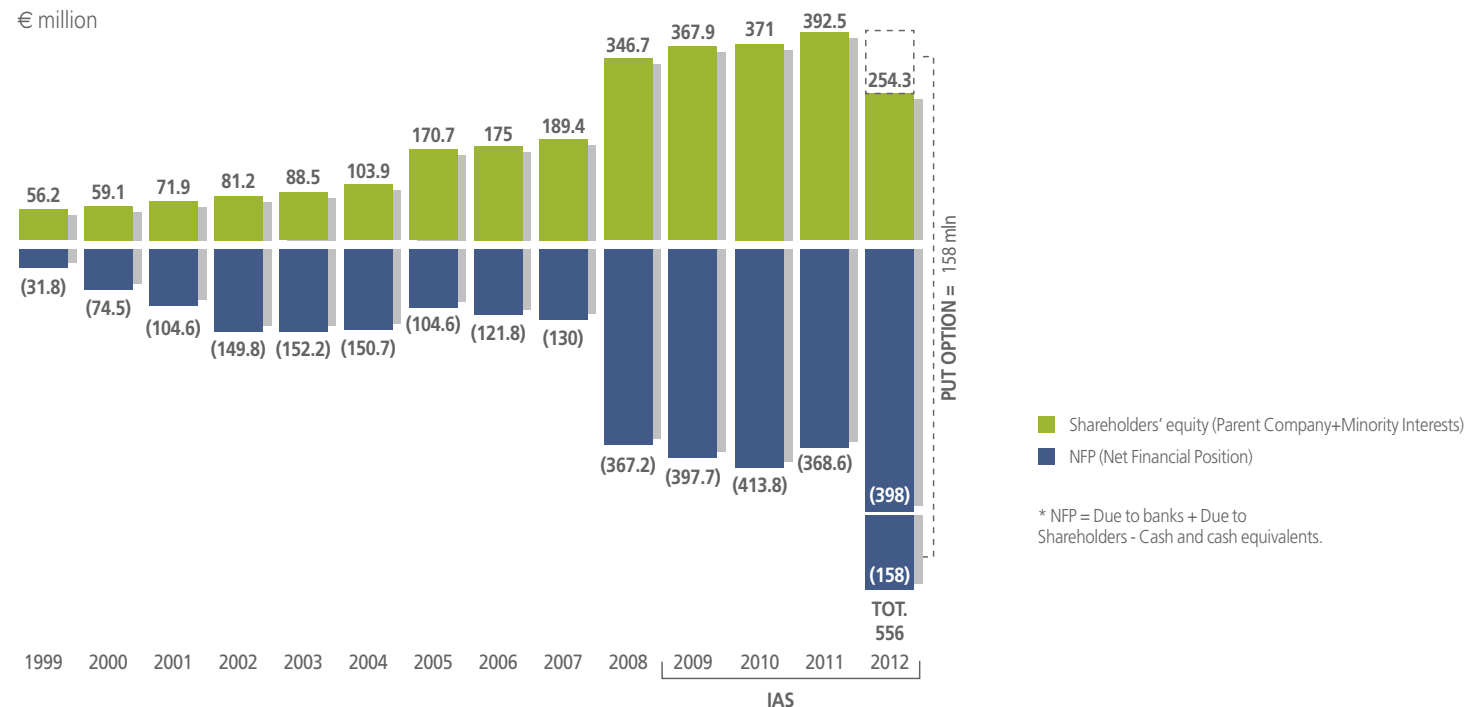
Put Option

The Directors recorded the estimated value of the Put Option, of € 158 million, in the memorandum accounts of the financial statements. This estimate is based on the formulas for calculating the exercise price agreed upon in the agreements entered into and applied to the forecast data from 2013 approved by the Management Board of the subsidiary MFM; the consolidated financial statements include a financial debt of € 158 million, against which shareholders' equity pertaining to minority interests was reduced by € 116 million and a negative reserve of € 42 million was recognised.

Meetings between the Cooperative and Investors are currently taking place concerning the possible renegotiation of expiring investment agreements.

Comparison between shareholders' equity and net financial position, consolidated 1999-2012 *

€ million



VALUE ADDED

The value added statement (calculation and distribution) is an element characterising the GBS standard which combines the economic and social aspects of operations. It defines the value generated by the company during the year as well as how that value is appropriated with reference to the main stakeholders.

Value added is shown in two statements, one determining the amount and the other highlighting how it is allocated. Value added is used for two main reasons: first, it makes it possible to quantify how much value has been generated by the Group, how it was produced and especially how it is distributed. Second, this statement makes it possible to link the Corporate Social Responsibility Report to the financial statements. In essence: the statement regarding the generation and allocation of value added is a tool for interpreting the company's consolidated financial statements from the perspective of the main stakeholders.

The Manutencoop Group value added statement has been calculated with reference to the consolidated companies, and it has been prepared on the basis of the principles laid out by the Italian Study Group for Social Reporting (GBS). As an exception to the recommendations of the GBS, the portion distributed to lenders as interest on the loan capital was calculated considering the balance between financial expenses and income, which is deemed more accurate to correctly quantify the Group's relations with this type of stakeholder than only the financial expenses figure.

All of the data presented are compared with the years 2010 and 2011, enabling readers to evaluate the evolution of the variables considered over time.

Net global value added increased compared to 2011 in absolute value (€ 5.636 million) and as a percentage (+0.67%).

An analysis of the components shows a reduction in the value of production as well as in intermediate production costs, particularly as regards costs for services and provisions for risks. It is acknowledged that in recent years, a restructuring and reorganisation process has been launched within the Group on the basis of several decisions. On one hand, some activities are no longer carried out, such as real estate given the serious crisis in that market in recent years, and the photovoltaic system implementation and marketing activity; on the other hand, there has been a trend towards relying on internal personnel instead of outsourcing work. In the years presented as a comparison, internal restructuring processes were implemented to reorganise and streamline production resources.

During the year in question, the Group allocated 84.2% of value added, or € 378.23 million, to workers. This value has increased with respect to the previous year due to the trend of insourcing core business activities.

The portion allocated to the Public Administration amounts to € 10.49 million or 2.3% of total value added for the year, a drastic downturn compared to previous years mostly as a result of the non-recurring event which made it possible to request a partial reimbursement of taxes for the years 2007-2011.

The portion of value added allocated to lenders totalled € 25.48 million, or 5.7% of total value added, down 0.8% compared to 2011; this decrease is primarily the result of the stipulation of new agreements for the non-recourse factoring of trade receivables in the previous year, for which non-recurring expenses were incurred when the contracts were prepared.

Observing the performance over three years, it can be seen that the Group has had to increasingly make recourse to loan capital, therefore incurring increasing costs.

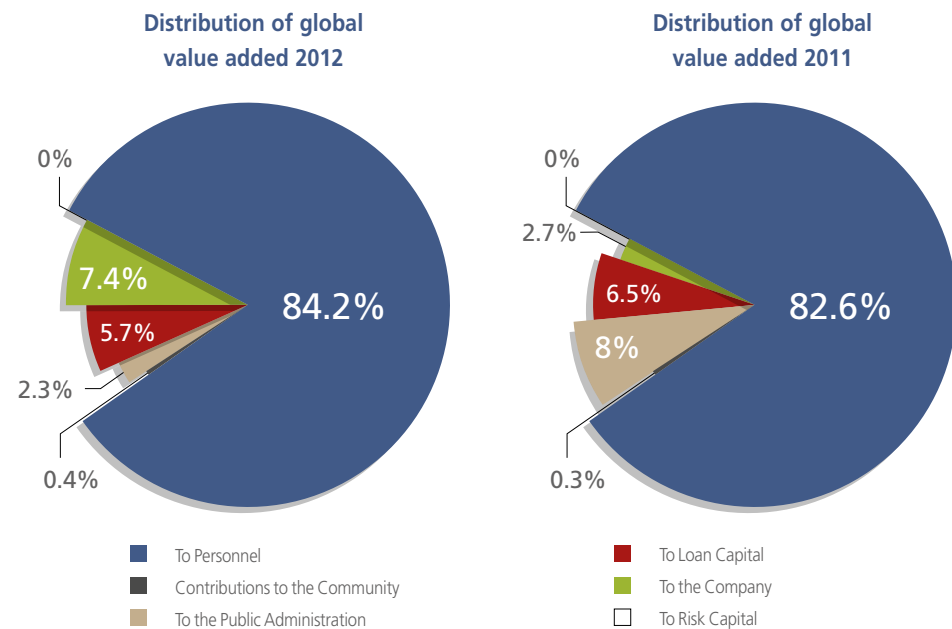
To offset that trend, the Manutencoop Group resolved not to distribute any dividends and to reinvest profits in operations: the return on risk capital for shareholders was not provided in favour of a return to the company which amounts to 7.4% of value added (2.7% in the previous year).

Finally, € 585,000 was allocated to the cooperative movement, € 106,000 to external perks and € 915,000 to social and mutualistic activities in favour of employees.

Global value added						
A) Value of Production	2012	% of Value of Production	2011	% of Value of Production	2010	% of Value of Production
1. Revenues from sales and services (less revenue adjustments)	1,063,081,471		1,092,855,893		1,104,585,710	
2. Change in inventories of work in progress and semi-finished and finished products	(2,205,534)		(10,008,145)		433,961	
3. Change in contract work in progress	(1,592,204)		(20,346,710)		28,065,696	
4. Other revenues and income	2,558,063		3,467,185		2,497,746	
Total Revenues from ordinary production	1,061,841,797		1,065,968,223		1,135,583,114	
5. Revenues from atypical production (internal production)	773,756		169,250			
Total Value of Production	1,062,615,553		1,066,137,473		1,135,583,114	
B) Intermediate Production Costs						
6. Consumption of raw materials, consumables and goods	(163,297,930)		(146,810,630)		(135,248,092)	
7. Costs for services	(383,146,162)		(399,869,010)		(499,756,678)	
8. Costs for use of third party assets	(20,732,643)		(19,759,306)		(23,099,527)	
9. Provision for risks	(11,066,048)		(18,197,959)		(28,850,964)	
10. Other provisions						
11. Other operating costs	(5,094,170)		(6,705,468)		(4,576,772)	
Total Intermediate Production Costs	(583,336,953)	54.90%	(591,342,373)	55.47%	(691,532,033)	60.90%
GROSS VALUE ADDED FROM ORDINARY OPERATIONS	479,278,599	45.10%	474,795,100	44.53%	444,051,081	39.10%
C) Non-core and extraordinary transactions						
12. Balance of Non-Core Transactions	5,986,432		3,514,147		6,359,003	
+ Non-core revenues	6,149,973		4,044,592		7,788,537	
- Non-core costs	(163,541)		(530,445)		(1,429,533)	
13. Balance of Extraordinary Transactions	(586,482)		326,598		(783,053)	
+ Extraordinary revenues	13,558,890		12,964,832		13,698,995	
- Extraordinary costs	(14,145,371)		(12,638,234)		(14,482,048)	
Total non-core and extraordinary transactions	5,399,950	-0.51%	3,840,745	-0.36%	5,575,950	-0.49%
+ Coverage of losses by shareholders	-		-			
GROSS GLOBAL VALUE ADDED	484,678,550	45.61%	478,635,845	44.89%	449,627,031	39.59%
- Amortisation of operations by standard groups of assets	(35,460,938)	3.34%	(35,042,754)	3.29%	(33,772,371)	2.97%
NET GLOBAL VALUE ADDED	449,217,612	42.27%	443,593,091	41.61%	415,854,660	36.62%

Distribution of global value added						
A) To Personnel	2012	% of Value Added	2011	% of Value Added	2010	% of Value Added
Non-employed personnel	12,968,434		11,523,921		13,710,597	
Employees	365,270,263		354,692,193		349,926,341	
a) direct remuneration	67,223,204		59,747,708		52,938,947	
b) indirect remuneration	98,047,059		94,944,485		94,500,873	
c) shares of income distribution					2,486,521	
Total Allocation to Personnel	378,238,697	84.20%	366,216,114	82.56%	363,636,937	87.44%
B) To the Public Administration						
Direct taxes	8,764,622		33,550,573		25,717,550	
Indirect taxes	1,732,339		1,968,555		1,838,571	
- other taxes due	2,465,187		2,020,488		1,879,497	
- operating grants	(732,849)		(51,932)		(40,926)	
Total Allocation to the Public Administration	10,496,960	2.34%	35,519,128	8.01%	27,556,121	6.63%
C) To Loan Capital						
Expenses for short-term capital	15,016,123		14,452,509		11,189,392	
Expenses for long-term capital (medium/long-term mortgages)	10,157,058		13,916,580		7,476,451	
Interest on the shareholder loan	307,987		302,729		155,122	
Total Allocation to Loan Capital	25,481,169	5.67%	28,671,817	6.46%	18,820,965	4.53%
D) To Risk Capital						
Dividends paid					860,740	
Capital appreciation					219,065	
Total Allocation to Risk Capital					1,079,806	0.26%
F) To the Company						
Allocation to the Parent Company	23,417,536		7,478,825		1,052,755	
Allocation to minority interests	9,975,814		4,305,000		2,307,412	
Total Allocation to the Group	33,393,350	7.43%	11,783,825	2.66%	3,360,167	0.81%
G) Cooperative Movement						
Mutual funds (3% of profit)					57,084	
Membership fees	585,150		531,147		693,575	
Total Cooperative Movement	585,150	0.13%	531,147	0.12%	750,659	0.18%
H) External perks						
	106,350	0.02%	28,120	0.01%	153,916	0.04%
I) Social and mutualistic expenses (members and employees)						
	915,937	0.20%	842,941	0.19%	496,090	0.12%
NET GLOBAL VALUE ADDED	449,217,612	100%	443,593,091	100%	415,854,660	100%

Distribution of global value added (in €/000)		
	2012	2011
A) To Personnel	378,239	366,216
B) To the Public Administration	10,497	35,519
C) To Loan Capital	25,481	28,672
D) To Risk Capital	-	-
F) To the Company	33,393	11,784
H) Contributions to the Community	1,607	1,402
Net global value added	449,218	443,593



05 INFO VALUE ADDED - NEW GBS GUIDELINES

In spring 2013, the GBS refined the updated standard in which the statement for calculating and allocating value added maintained its position and importance. However, a rather significant consideration was introduced based on the discussions accompanying the preparation of the statement. It can be summarised as follows:

> during a time of significant economic restrictions, and with just as much cultural difficulty, considering concrete aspects such as the production and distribution

of value is a significantly practical and objective approach that does not fail;

> the value added statement has often been considered secondary to more social narrations, but it was confirmed that going into specific numbers offers support which is particularly suited to organisational and procedural considerations and to improvement.

An example should be provided of this second aspect. In discussions inside Manutencoop concerning the drafting of this report, we tried

to precisely identify the "environmental costs and revenues" based on the new GBS standard, which places a good deal of emphasis on this aspect.

We therefore began discussing the topic of allocations, which is not only technical, but is - as any accountant will know - a question of company philosophy and therefore of a social nature.

We therefore agreed that a moment of analysis on this type of topic can be a good way to inform not only "the business experts" of the choic-

es and dilemmas that accompany each decision concerning allocation. So, we decided to develop a specific (and extended) examination of allocation criteria next year while continuing to refer to the "Metrics Group", which is now responsible for assessments and for the improvement of the corporate social responsibility report.

CERTIFICATIONS

The following activities associated with certifications were carried out in 2012:

MFM successfully passed the recertification audits for the UNI EN ISO 14001:2004 (Environmental Management System) and UNI EN ISO 9001:2008 systems.

It also retained the SA8000:2008 (Social Responsibility System) certification.

The company obtained the following additional certifications during the period considered:

- › UNI CEI EN ISO 50001:2011 - Energy management systems;
- › UNI CEI 11352:1020 - Energy management
- Companies providing energy services (ESCO);
- › BS OHSAS 18001:2007 - Occupational health and safety management system.

MFM also maintained the certification for complying with the ANMDO CERMET standard for the voluntary accreditation of suppliers of hospital cleaning and sanitation services.

Certification scheme								
Company	9001	14001	50001	11352	EPD	SA8000	OHSAS 18001	ANMDO / CERMET
Codiser S.r.l.	•	•			not yet certified (2013)			
Energy&Project S.p.A.	•	•						
MA.CO. S.p.A.	•	•						
Manutencoop Facility Management S.p.A.	•	•	•	•		•	•	•
MIA S.p.A.	•						•	
MPSS S.p.A.	•							
Servizi Ospedalieri S.p.A.	•	•					•	
SMAIL S.p.A.	•	•	not yet certified (2013)	not yet certified (2013)		•	not yet certified (2013)	
TELEPOST S.p.A.	•	not yet certified						

MFM also worked to achieve certification or uphold requirements for the following Group companies:

- › Smail S.p.A.
 - Recertification according to the UNI EN ISO 14001:2004 standard (Environmental Management System).
 - Recertification according to the UNI EN ISO 9001:2008 standard (Quality Management System).
 - Maintenance of the Social Responsibility System according to the requirements of the SA8000:2008 standard.

- › MACO S.p.A.
 - Recertification according to the UNI EN ISO 14001:2004 standard (Environmental Management System).
 - Recertification according to the UNI EN ISO 9001:2008 standard (Quality Management System).

- › Mia S.p.A.
 - Maintenance of UNI EN ISO 9001:2008 Certificate (Quality Management System).
 - Extension of the system to Attachment XIV - Production Quality
 - Guarantee provided for under Presidential Decree no. 162 of 30/04/1999.
 - Certification of compliance with BS OHSAS 18001:2007 Occupational Health and Safety Management System.

- › MPSS S.p.A.
 - Recertification according to the UNI EN ISO 9001:2008 standard (Quality Management System).

- › Energy&Project S.p.A.
 - Maintenance of certification of compliance with the UNI EN ISO 9001:2008 standard (Quality Management System).
 - Maintenance of certification of compliance with the UNI EN ISO 14001:2004 standard (Environmental Management System).

- › Telepost S.p.A.
 - Recertification according to the UNI EN ISO 9001:2008 standard (Quality Management System).

- › Co.di.ser.
 - Certification according to the UNI EN ISO 9001:2008 standard (Quality Management System).
 - Certification of compliance with the UNI EN ISO 14001:2004 standard (Environmental Management System).





COOPERATIVE: MEMBERS AND MUTUALITY

643

Member employees

747

Financing members

10

Members Committees

2

Commissions

8,243

euro
Average share in the company

MEMBERS: EMPLOYEES AND FINANCING MEMBERS

The Articles of Association of the Cooperative establish two types of members: the member employee, who works in the Cooperative or one of the Group companies, and the financing member who funds the Cooperative by purchasing transferable shares for € 25.82 each and does not need to be an employee.

Member employees

The tables below provide a brief description of the main characteristics of member employees in the last four years.

Member employees increased by 23 in 2012 compared to the previous year, consolidating a trend that began in 2011 after two years of significant declines in the membership base largely due to the disposal of Manutencoop Servizi Ambientali, resolved on 4 September 2009, as well as retirements, job changes and contract transfers.

It is also important to underscore that the qualification of the member admission procedure approved in 2008 resulted in a progressive reduction in the number of members joining the membership base over the years.

To update the personal and professional profiles of members and to gather their opinions on the cooperative, in November 2011 Manutencoop surveyed its membership base for the third time, after the previous surveys in 1992 and 2002.

The voluntary survey was conducted using anonymous questionnaires distributed directly to 606 member employees and was completed in February 2012. A total of 71.2% of the membership base participated (see box on page 80).

Evolution in the membership base in the last four years				
	2009	2010	2011	2012
Incoming members	28	18	49	46
Outgoing members	91	73	35	23
Incoming-outgoing balance	-63	-55	+14	+23
Members as at 31/12 (SHAREHOLDERS REGISTER)	661	606	620	643

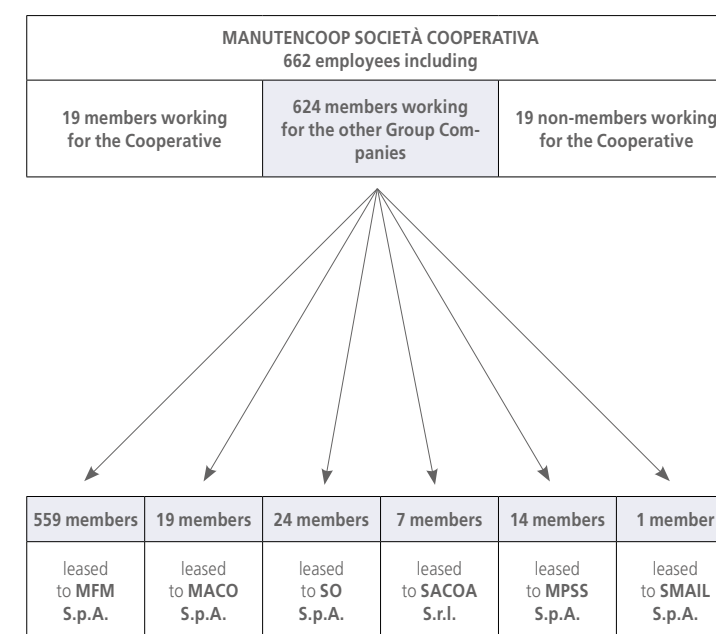
These data refer to changes in the shareholders register. Due to the specific nature of the cooperative's personnel leasing business, a certain period of time may elapse between admission and registration. Therefore, at times there may be fewer members registered in the book than actual members.

Characteristics of incoming and outgoing members	2009		2010		2011		2012	
	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing	Incoming	Outgoing
Gender								
Male	9	70	8	40	34	17	30	11
Female	19	21	10	33	15	18	16	12
Place of birth								
Italy	25	86	15	73	46	34	40	20
Overseas	3	5	3		3	1	6	3
Job classification								
Blue-collar workers	23	67	9	34	24	24	23	15
White-collar workers	5	17	7	29	17	9	17	5
Middle managers		4	1	8	6	1	4	2
Executives		3	1	2	2	1	2	1
Territory								
Emilia Romagna	19	68	10	54	24	24	28	15
Centre	4	6	2	6	6	8	7	2
Northeast	4	8	3	9	11	1		4
Northwest	1	9	1	3	1	2	2	2
South			2	1	7		9	
Company								
MFM	26	33	13	44	36	30	39	22
Cooperative			1		4	5	1	
SO	2		2	1	4		1	
MSA		58		28				
Smail					1			
MPSS			2		4		5	
Maco								1
Total	28	91	18	73	49	35	46	23

06 INFO PERSONNEL LEASING

Manutencoop is a production and labour cooperative. This means that the members contribute their work, and the mutualistic advantage consists of making the most of their contributions (their work) with respect to what they could achieve by interacting directly with the market. Manutencoop Società Cooperativa has been authorised by the Ministry of Labour to carry out the principal activity of personnel leasing since 1 January 2005. Personnel leasing, introduced by the "Biagi Reform", consists of providing user companies with the services of workers who are directly employed by the personnel leasing company. Therefore, the workers are for all intents and purposes employees of the

personnel leasing company, but they work at another company which manages their work activities. In the Manutencoop group, the members are employees of Manutencoop Società Cooperativa, which temporarily "lends" them to the user companies, or the Manutencoop Group Companies. Today, the Cooperative's staff consists of member employees who are employees of the Cooperative and leased to the Group companies. The Cooperative member employees make up the majority compared to non-member employees, which makes Manutencoop a traditional Cooperative.



Manutencoop continues to be a cooperative with a primarily male membership base, as can be seen in the table below.

Member gender	2009		2010		2011		2012	
	No.	%	No.	%	No.	%	No.	%
Male	341	51.6	309	51.0	326	52.5	345	53.7
Female	320	48.4	297	49.0	294	47.5	298	46.3
Total	661	100	606	100	620	100	643	100

Trends concerning the age ranges of members have basically remained stable over time.

Young people under 40 years old account for 20%, slightly down compared to past years. The age ranges of 40-50 years old and more than 50 account for the greatest percentages.

Member age ranges	2009		2010		2011		2012	
	No.	%	No.	%	No.	%	No.	%
20-29 years	11	2	4	1	3	1	2	1
30-39 years	161	24	140	23	123	20	124	19
40-49 years	240	36	220	36	225	36	234	36
Over 50 years	249	38	242	40	269	43	283	44
Total	661	100	606	100	620	100	643	100

Also in terms of jobs, respect for the Cooperative's original role is confirmed along with its propensity to provide even less qualified individuals with job opportunities and, more generally, it continues to maintain a balance between white-collar and blue-collar workers.

Role	2009		2010		2011		2012	
	No.	%	No.	%	No.	%	No.	%
Blue-collar workers	351	53	326	54	330	53	338	53
White-collar workers	232	35	210	34	202	33	214	33
Middle managers	48	7	41	7	53	8	55	9
Executives	30	5	29	5	35	6	36	5
Total	661	100	606	100	620	100	643	100

The table below shows another important characteristic of the Manutencoop Group, i.e., that a significant percentage of its members are from other countries. In 2012, 6.7% of the group's shareholding structure consists of foreign member employees.

Member countries of origin (%)	2009	2010	2011	2012
Italy	94.7%	91.9%	92.7%	93.3%
Other Countries	5.3%	8.1%	7.3%	6.7%
Total	100	100	100	100

There has been a change in the distribution of the membership base by membership seniority. While members with less than 5 years of membership seniority accounted for roughly 60% in 2008, since 2009 this percentage has gradually decreased until reaching 26.7% in 2012.

However, shareholders with membership seniority between 5 and 10 years rose significantly to 43.6%. The ranges 11-20 and 21-30 basically remained the same, and members with over 30 years of membership seniority increased.

Membership base by membership seniority	2009		2010		2011		2012	
	No.	%	No.	%	No.	%	No.	%
< 5 years	290	43.9	276	45.5	206	33.2	172	26.7
6 - 10 years	189	28.6	169	28	226	36.5	280	43.6
11 - 20 years	92	13.9	79	13	91	14.7	96	15
21 - 30 years	72	10.9	65	10.7	71	11.5	69	10.7
> 30 years	18	2.7	17	2.8	26	4.2	26	4
Total	661	100%	606	100%	620	100%	643	100%

Emilia Romagna continues to be the region with the majority of shareholders, followed by the Centre and the Northeast. Members from the South grew considerably, particularly due to new members admitted in Sicily.



Job territory	2009	2010	2011	2012
Emilia Romagna	531	487	490	503
Northeast	58	52	47	43
Northwest	19	17	15	15
Centre	49	45	54	59
South	4	5	14	23
Total	661	606	620	643

To be more specific, the distribution of members in the Emilia-Romagna region is provided below:

Emilia Romagna	2009	2010	2011	2012
Bologna	419	382	387	395
Imola	52	49	45	49
Modena	47	46	46	48
Ferrara	10	10	12	11
Other provinces	3			
Total	531	487	490	503

Manutencoop presented the 2011 Corporate social responsibility report and the third member survey at the Arena del Sole in Bologna on 20 November 2012. This initiative, including a roundtable entitled "The role of members, ownership, management and company outlooks", involved the participation of Manutencoop Chairman Claudio Levorato, Legacoop national Chairman Giuliano Poletti, Coop Adriatica Chairman Adriano Turrini, Unindustria Bologna Chairman Alberto Vacchi and Stefano Zamagni, Professor of Economics at the University of Bologna.

The survey, which is conducted every ten years, had the goal of describing who the Manutencoop member is today. The result was an on average more educated businessperson who is less politically active and is definitely concerned about the economic and financial crisis, but has faith in the cooperative and in the role of cooperation in general, a formula that is able to offer "quality and security" at the workplace.

The survey was based on the responses of 432 member employees of Manutencoop Società Cooperativa, the Group holding company, representing 71.2% of the membership base.

A comparison with the last survey from 2002 shows fewer members from Emilia Romagna (residents of this region have decreased from 93% in 2002 to 83% today) in line with the Group's growth at the national level, members with decidedly higher levels of education (in 2002 69% had finished middle school and 3% had finished university, today 14% have finished university and only 35% stopped their education upon completing middle school), fewer blue-collar workers (57% compared to 92% 10 years ago) and



slightly more non-Italians: 5% of members were born overseas, compared to 1% in 2002.

Members are less likely to identify themselves as a particular political or ideological type, a sign that the so-called "drive belt" between the coop and political parties has now completely disappeared: only 9% are affiliated with a political party, compared to 36% twenty years ago. It is surprising to see extremely little faith in the parties (on a scale of 1 to 10, the level of faith is assessed at 3, compared to 3.8 for banks and 4 for the press and unions).

Very high faith was instead placed in cooperation (7.1), the National Health Service and law enforcement (6.1), and public schools (5.8). Union membership is on the decline: 31% in 2012 compared to 56% in 1992. 35% do not take part in any form of association (not even athletic or volunteer).

The main social threat identified was the economic and financial crisis and the increased risk of job loss, at both the global and local levels. In 2002, the most worrying problem was pollution, while in 1992 organised crime and the difficulty of finding a home were the top concerns.

As regards opinions about Manutencoop, members are paying more attention to economic results and

there is a greater sense of responsibility: approximately 40% deem that what distinguishes a member from a worker is the duty to safeguard the cooperative's assets and the duty to make a greater commitment.

Lastly, some of Manutencoop's strengths that were identified were the workers, i.e., people and the human contribution, the capacity for innovation and the business strategy. The ability of the Manutencoop Group to create employment particularly stands out, with positive assessments reaching 96%.

Presented along with the member survey was the 2011 Corporate social responsibility report: numbers, data and analyses which "tell the story" of the actions that Manutencoop is implementing to contribute to the "smart, sustainable and inclusive growth" outlined by the European Commission's "Europe 2020" Strategy.

The consistency between the key initiatives of the "Europe 2020" document and the Manutencoop strategy can be seen in the company's development objectives, which have identified the European market as the horizon of expansion, and in the manners in which the Group's core activities are carried out.

14%

Members with university degree

35%

Members with middle school diploma

57%

Blue-collar members

5%

Members born overseas

9%

Members affiliated with a political party

31%

Members in unions

40%

Members who think that a member has the duty to safeguard the Cooperative's assets and the duty to make a greater commitment

96%

Members expressing a positive opinion on the Manutencoop Group's ability to create employment

Financing members

On 29 May 2009, the Board of Directors approved a new regulation for financing members. This new document was needed to increase transparency in purchase and sale transactions and to make methods for the admission of financing members and those adopted in 2008 for member employees more consistent.

In particular, the new provisions give the Manutencoop Società Cooperativa Board of Directors, which is required under the Articles of Association to approve the transfer of shares, the opportunity to obtain more information on potential new members.

They also more precisely and transparently define the criteria governing the purchase and sale of shares.

To become a financing member, the candidate must be presented by at least two members (financing or employees) who must sign the dedicated application. Aspiring members must also provide detailed information on their background, profession, social interests and membership in other cooperatives, and will be interviewed by the Communication and Corporate Social Responsibility Unit.

At 31 December 2012, there were 747 financing members, including member employees, former employees, associates, relatives and acquaintances. Their presence among the current members is a sign of a close bond and great trust.

Gender of the financing members	2010		2011		2012	
	No.	%	No.	%	No.	%
Male	386	49.1	368	49.5	375	50.2
Female	397	50.5	373	50.1	369	49.4
Company	3	0.4	3	0.4	3	0.4
Total	786	100	744	100	747	100

Each financing member has from 1 to 5 votes in the Shareholders' Meeting depending on the share of capital held (1 vote from 1 to 200 shares; 2 votes from 201 to 400 shares; 3 votes from 401 to 800 shares; 4 votes from 801 to 2,000 shares; 5 votes for 2,001 shares or more). In any event, financing member votes can account for no more than 1/3 of the total votes at the Shareholders' Meeting.

ADMISSION FOR MEMBER EMPLOYEES

Being a member is a commitment that one makes to oneself, one's family, the other members (current and future) and the Cooperative. Entry into the membership base is an important moment that requires well formalised rules and procedures. Manutencoop Società Cooperativa has decided to work to "create" members with increasing knowledge and capability to run the company.

Screening potential members is a duty with respect to future generations to protect the cooperative nature of Manutencoop and its original values.

The Articles of Association establish three requirements for becoming a member of the Cooperative:

- › time requirement
- › organisational requirement
- › training requirement

The time requirement establishes that only employees with a permanent labour contract who have worked for the Cooperative or the Group companies for at least 3 years may become members. The goal is to select increasingly reliable and professionally competent members.

In terms of the organisational requirement, it is not possible for employees who have joined Manutencoop through the acquisition of contracts and who continue to work only on activities associated with such contracts to become members. This requirement was established due to the typical characteristics of Manutencoop's sector, i.e., the high level of worker turnover caused by the acquisition and loss of contracts. Therefore, the choice has been to target workers who are linked more to the company than to the specific contract.

The training requirement establishes that becoming a member is subject to attending a mandatory cooperative and economic training course outside working hours. The purpose of this requirement is to increase awareness of the rights and duties of each member and the values of the Cooperative.

The course for aspiring members is offered as needed at Manutencoop's five main offices (Bologna, Modena, Imola, Cascina and Mestre) during two periods per year, indicatively from September to December and from March to June.

The course includes four, three-hour learning modules focusing on: "History of the cooperative movement, values, social responsibility", "History of Manutencoop, Articles of Association and Member Regulation", "Basics for understanding company economic performance" and "Business performance indicators".

The course includes lectures, case analyses and practice scenarios, as well as two questionnaires to assess learning and the level of satisfaction.

The data from the 2011 and 2012 sessions are provided below.

Training course for aspiring members				
	Jun-2011	Dec-2011	Jun-2012	Dec-2012
Admitted to the course	28	12	35	18
Withdrawals during the course	2		2	1
Applications for admission submitted	26	12	33	17
Applications accepted by the BoD	26	12	33	17

Characteristics of new members		Jun-2011	Dec-2011	Jun-2012	Dec-2012
Gender	Male	18	7	22	13
	Female	8	5	11	4
	General total	26	12	33	17
Company	MFM	21	10	28	13
	SO	3	1		
	MPSS	2	1	4	4
	COOP			1	
	General total	26	12	33	17
Role	Blue-collar workers	14	5	17	7
	White-collar workers	8	4	13	9
	Middle managers	2	2	2	1
	Executives	2	1	1	
	General total	26	12	33	17
Territory	Emilia Romagna	12	9	18	9
	Centre	4		7	
	South	4	2	7	1
	Northeast	5			6
	Northwest	1	1	1	1
	General total	26	12	33	17

The membership qualification process has resulted in a progressive reduction in the absolute number of new members beginning in 2008. It has been found that a percentage of those who submit an application to participate in the course do not satisfy the requirements and therefore may not be admitted. Furthermore, some aspiring members withdraw before attending the course. Blue-collar workers continue to account for the majority of new members, although the white-collar contingent is on the rise. In terms of geographical distribution, Emilia Romagna continues to be well represented, followed by the Centre. It is interesting to note the increase in aspiring members from MPSS, which is consistent with the Company's business performance.

The main steps in the member admission process and a summary outline are provided below.

1. The candidate member must participate in the training course.
2. After attending the training course, candidates may submit an application to become a member (in which they commit to paying € 7,746 into the share capital within five years).
3. The operations and departmental managers and the reference Members Committee of the candidate provide a decisive and justified opinion on the aspiring member.
4. Once all documentation has been collected, the Board of Directors assesses applications at specific times of the year.

ECONOMIC EXCHANGE AND THE MUTUALISTIC ADVANTAGE

The share capital

The company assets created by the cooperative over the years are indivisible and represent intergenerational value. The share capital consists of share capital paid in by member employees and share capital paid in by financing members. The total share capital at 31 December 2012 amounts to € 14,136,000, including € 8,646,000 from member employees and € 5,490,000 from financing members. Specific information about the share capital is provided below.

Trend of total share capital subscribed (in thousands of euro)		
Year	Share capital	Increase %
2002	10,868	7.9
2003	11,943	9.9
2004	12,765	6.9
2005	13,032	2.1
2006	13,572	4.1
2007	14,373	5.9
2008	14,739	2.5
2009	13,749	-6.7
2010	13,524	-1.6
2011	14,044	3.8
2012	14,136	0.6
2011	14,044	3.8
2012	14,136	0.6

The minimum stake is € 7,746, but many members significantly exceed this amount. The situation of the member employees is shown below by range.

Breakdown of share capital of member employees (in thousands of euro)				
Ranges	No. members	%	Amount paid in	Amount subscribed
Up to €7,746	125	19.4	701	961
From €7,746.01 to 10,000	192	29.9	1,474	1,609
From €10,000.01 to 15,000	111	17.3	895	1,327
From €15,000.01 to 20,000	107	16.6	919	1,848
From €20,000.01 to 30,000	87	13.5	917	2,097
Over €30,000	21	3.3	394	804
Total	643	100%	5,300	8,646

At 31 December 2012 the share capital of the financing members consists of a total of € 5,490,000 in registered shares with a nominal value of € 25.82 each, broken down as shown in the table.

Breakdown of share capital of financing members (in thousands of euro)				
Shares	No. votes	No. members	%	Amount
From 1 to 200 shares	1	555	74.3	769
From 201 to 400 shares	2	74	9.9	528
From 401 to 800 shares	3	46	6.2	652
From 801 to 2,000 shares	4	51	6.8	1,672
Over 2,000 shares	5	21	2.8	1,869
Total		747	100%	5,490

The indivisible reserve

Increasing the reserves is one strategy used by companies to face future risks: in fact, reserves protect the share capital and also act as a guarantee for creditors.

Unlike in for-profit companies, in cooperatives the reserves are not only meant to be a financial and social guarantee for stakeholders, but they are also intended to strengthen the outlooks for the company's duration, which means guaranteeing the continuity of mutuality, and advantages for current and future members.

In cooperatives, the reserves are "indivisible", i.e., they cannot be allocated amongst the members, even if the company is liquidated.

In traditional cooperatives ("a mutualità prevalente"), those which like Manutencoop operate largely on the basis of member contributions, the percentage of profits to be allocated to the reserves is rather high, with a minimum of 30%: the justification for this lies in the intention to offset the normal insufficiency of the share capital and to cover the risks that accompany its variability.

In concrete, while in companies the profits are divided amongst the shareholders based on their stake in the share capital, in cooperatives they are almost fully reinvested in the development of the cooperative itself and in strengthening the cooperative's assets. Therefore, the members will never acquire these reserves, even if the cooperative is wound up.

As at 31 December 2012, the reserves amounted to € 253,141,000.

Percentage of profit paid into the indivisible reserve (in thousands of euro)				
Year	Accumulated reserves	Portion of profit to the reserve	Profit	%
2002	68,498	7,408	9,920	74%
2003	75,906	28,532	*31,684	79%
2004	104,438	5,213	6,593	79%
2005	112,296	83,674	**87,507	96%
2006	195,971	7,542	9,077	83%
2007	203,513	44,194	46,885	94%
2008	252,261		(597)	
2009	251,664	733	1,967	37%
2010	252,397	766	1,903	40%
2011	253,175		(24)	
2012	253,141		(591)	

* Includes the capital gain of € 24,270 from the spin-off of the Integrated Services business unit.
** Includes the capital gain of € 66,503 from the spin-off of the Hygiene and Landscaping business units, dividends and the effects of tax consolidation.

The return

Manutencoop's mission is to develop economic activity for the benefit of its members. In general, the cooperative offers its members payment for work in proportion with their individual contributions and a limited dividend for their share capital contributions.

The definition of mutualistic exchange is not simple, since members receive rather complex compensation in proportion with contributions consisting not only of contractual services provided, but also length of presence within the cooperative, qualitative commitment in the workplace, and the ideas and contributions they are able to express: in fact, besides the return, members also have the opportunity to receive tangible and intangible advantages and recognitions.

However, the central number within mutualistic exchange is the return, which has calculation and allocation procedures established by specific board and meeting resolutions.

The return is calculated based on two correlated parameters:

- › quantitative - in relation to the number of months (or fraction of a month of over 15 days) for which the member has worked,
- › qualitative - based on the job classification level.

The proportion between the two parameters has been defined by shareholders' meeting regulation.

Return payment methods through the years	
2002	1,800 + 30 for each year of membership seniority to a share capital increase
2003	1,800 + 30 for each year of membership seniority to a share capital increase
2004	€ 1,800 + between € 8 and € 18 based on job classification level
2005	€ 2,004 + between € 9.93 and € 20.04 based on job classification level
2006	€ 2,004 + between € 9.14 and € 20.04 based on job classification level
2007	€ 2,004 + between € 9.09 and € 20.04 based on job classification level
2008	Not distributed
2009	€ 3,000 + between € 14.86 and € 30.00 based on job classification level
2010	€ 3,960 + between € 18.29 and € 40.00 based on job classification level
2011	Not distributed
2012	Not distributed

Members can choose to receive the return in two ways:

1. in the form of a "wage supplement" subject to the Irpaf (personal income tax) at the rate corresponding to the annual income range of each member (23%, 33%, etc.).
2. in the form of a "free increase of share capital held". In this case, the amount calculated as set forth above will be collected only when the share capital is returned. At the time of the return, the member will be subject to Irpaf tax at the capital gains rate (currently 12.50%).

In 2012, the economic results achieved did not make it possible to distribute dividends or returns to member employees or to financing members.

Breakdown of profit distributed to members through remuneration, appreciation and returns disbursed (in thousands of euro)							
Year	Share capital		Return	Shares of Financing members		Shareholdings in the Cooperative	Total
	remuneration	appreciation		remuneration	appreciation		
2001	386	119	769	493	124	71	1,962
2002	372	112	945	471	113	102	2,115
2003	443	148	993	458	121	68	2,231
2004	482	149	692	417	98	33	1,871
2005	545	139	1,133	437	86		2,340
2006	553	170	1,259	437	103		2,522
2007	595	156	1,388	445	89		2,673
2008	0	0	0	0	0		0
2009	612	65	2,172	459	38		3,346
2010	457	133	2,487	404	86		3,567
2011	0	0	0	0	0		0
2012	0	0	0	0	0		0

Over the years, Manutencoop has applied the maximum remuneration possible with respect to what is established by law: for member employees, to an extent not exceeding the maximum interest on interest-bearing postal bonds plus 2.5 points; for financing members, to an extent not exceeding the maximum interest on interest-bearing postal bonds plus 2 points.

An additional part of the profit was allocated to a free, fully subscribed and paid-up share capital increase resulting in capital appreciation within the limits of the change in the national general consumer price index calculated by the Italian Statistics Institute (ISTAT).

The shareholder loan

Members provide financial support to the cooperative through share capital as well as the shareholder loan.

As at 31 December 2012, 647 member employees and financing members participated in the shareholder loan, amounting to € 10.2 million, in order to contribute to the development of the Cooperative. The “lenders” earn a rate which is differentiated depending on the amount paid in: the rate increases as the sums deposited increase (the maximum deposit established by law, valid as of 1 January 2013, is € 72,187.32 per shareholder).

Shareholder loan analysis (in thousands of euro)				
Ranges	No. members	%	Amount	%
From €0 to 5,200	353	54.6	449	4.4
From €5,200.01 to 15,500	82	12.7	773	7.6
From €15,500.01 to 26,000	63	9.7	1,241	12.1
From €26,000.01 to 40,000	37	5.7	1,210	11.8
From €40,000.01 to 60,000	47	7.2	2,351	23
Over €60,000.01	65	10.1	4,208	41.1
Total	647	100%	10,232	100%

Since the shareholder loan is an instrument of the Cooperative members, the amount is variable and impacted by the size of the membership base.

The loan to shareholders

Members may request a loan from the cooperative for healthcare expenses, the home or family reasons for up to a maximum of € 10,000 and, in any event, for a sum at least 80% guaranteed by the paid-in share capital plus employee severance indemnity accrued. As per the Regulation, the loan is repaid in monthly instalments and principal and interest must be paid in full within a maximum of 60 months.

Analysis of shareholder loan 2011-2012		
	2011	2012
No. members	659	647
Total amount paid*	11,213	10,232
* in thousands of euro		

Analysis of loan to shareholders 2011-2012		
	2011	2012
No. members	26	41
Average loan value	7,808	7,341
Total disbursed	203,000	301,000

The loan is granted based on the order of arrival of the requests and is drawn from a Fund redefined each year by the Board of Directors on the basis of the dynamics of the Cooperative's development. The loans are suspended if the Fund is used in its entirety.

To request a loan, the member must have paid the last instalment of the previous loan at least one month prior. If it is necessary to choose from amongst requesting members, those who have not yet made recourse to the Fund are given preference, and those who made their last repayment least recently are considered next. The interest rate calculated on loans granted is equal to the gross rate paid for the maximum range established for the shareholder loan.

In 2012, 41 members requested a loan from the Cooperative, and Manutencoop disbursed a total of € 301,000.00.

PARTICIPATION

Having held fast to the fundamental “open door” principle, the Cooperative is, as has been noted, a representation of the choices of many people governed by common sentiment on the basis of the fundamental democratic principle of “one man, one vote”. The table below summarises the number of Shareholders’ Meetings held and average attendance over the last four years (member employees and financing members, present either personally or by proxy).

Shareholders’ Meetings				
	2009	2010	2011	2012
No. Shareholders’ Meetings held	2	1	1	1
Average no. members present	767	651	746	454

There are two more important tools for participation by the membership base: the Members Committees and the Commissions.

The Members Committees remain in office for two years and meet once a month to discuss the principal company issues or problems relating to the organisation of labour, as well as to analyse the budget and final financial statements, business and development plans, and the corporate social responsibility report.

Manutencoop's membership base has a total of 10 Committees. In November 2012 elections were held, with member involvement and participation, to elect the Committee members who will remain in office until 2014.

The tables below provide an overview of participation in the Members Committees in 2011 - 2012 as well as a summary by individual Committee.

Members Committees				
	Meetings	Members	Attendance	Average attendance
Hygiene	6	12	53	8.8
Shared Services	8	10	54	6.8
Integrated Services and Building Construction	6	10	35	5.8
Financing members	8	10	76	9.5
Landscaping	7	6	39	5.6
Imola	8	10	72	9.0
Tuscany	7	8	35	5.0
Modena	8	8	42	5.3
Veneto	5	8	35	7.0
Servizi Ospedalieri	4	6	13	3.3

There are 2 Commissions: Communication and Information, and Social Policies. They both remain in office for three years and are appointed within 6 months of when the new Manutencoop Società Cooperativa Board of Directors is appointed.

In October 2011, after consulting with the Members Committees and the membership base, the Board of Directors appointed 11 members to each Commission, who will remain in office until 2014.

Each Commission meets once a month on average. The table below summarises participation in the Commissions in 2012:

Commissions				
	Meetings	Members	Attendance	Average attendance
Communication	4	11	28	7
Social Policies	4	11	35	8

The following main topics were addressed by the Members Committees and the Commissions:

- › **Expression of opinions on aspiring members (only for the Members Committees)**
Amendments to the Articles of Association introduced in April 2008 assigned the Committees the task of expressing a non-binding opinion on aspiring members. This activity has made it possible for members to take some responsibility in the admission process.
- › **Initiatives favouring meeting and integration between Italian and foreign employees**
This topic is transversal to all Commissions and Committees but is particularly relevant for the Bologna Hygiene Committee and the Modena and Imola Committees, and has led to the organisation of some events: Festa delle Genti and Molteplicità ("Celebration of Peoples" and "Multiplicity"), first in Piazza Santo Stefano and then in Piazza Re Enzo in Bologna, as well as at Bags & Batik in Imola.
- › **Corporate social responsibility report**
The 2009, 2010 and 2011 editions were used for the training of aspiring members.

Participation in the Members Committees		
	2011	2012
No. Members Committees	10	10
No. of meetings	76	67
No. total attendance	539	454
No. average attendance	7	6.8

Participation in the Commissions		
	2011	2012
No. Commissions	2	2
No. of meetings	6	8
No. total attendance	39	63
No. average attendance	7	7.9

› Solidarity Initiatives and Social Celebrations

Manutencoop has organised several solidarity initiatives and social celebrations.

The contribution of the Commissions and Committees has been fundamental, particularly to organise certain initiatives and celebrations: from "briscola" and "tresette" card tournaments, to the traditional football tournament at Stadio Dall'Ara stadium, to the Festa delle Genti.

› Company initiatives

Many initiatives have been promoted by the Group companies for the benefit of employees: scholarships for the children of employees who perform particularly well in graduate school or university, now in their fourth year, also count on the involvement of the Members Committees and the Commissions, which handle the announcement and assessment process and also organise the award ceremonies. Also in 2012, the Imola Members Committee was one of the sponsors of the trial-phase summer camp service for the children of Group employees between 3 and 10 years old, provided at the end of August.

› Financial performance of the Group companies

The figures on the financial performance of the Group companies were presented to the expanded Members Committees, the reference membership base and the Commissions. The Cooperative's Chairman or Deputy Chairman participated in those meetings.

› Communication tools: Ambiente company magazine and Ambiente website

The content of the company magazine, Ambiente, as well as the supplement Ambiente Più Soci and the online magazine, which reprints the Ambiente articles and features videos and photo galleries of the main company events, is also presented and discussed during the Committee and Commission meetings. The same goes for the new company social media accounts.

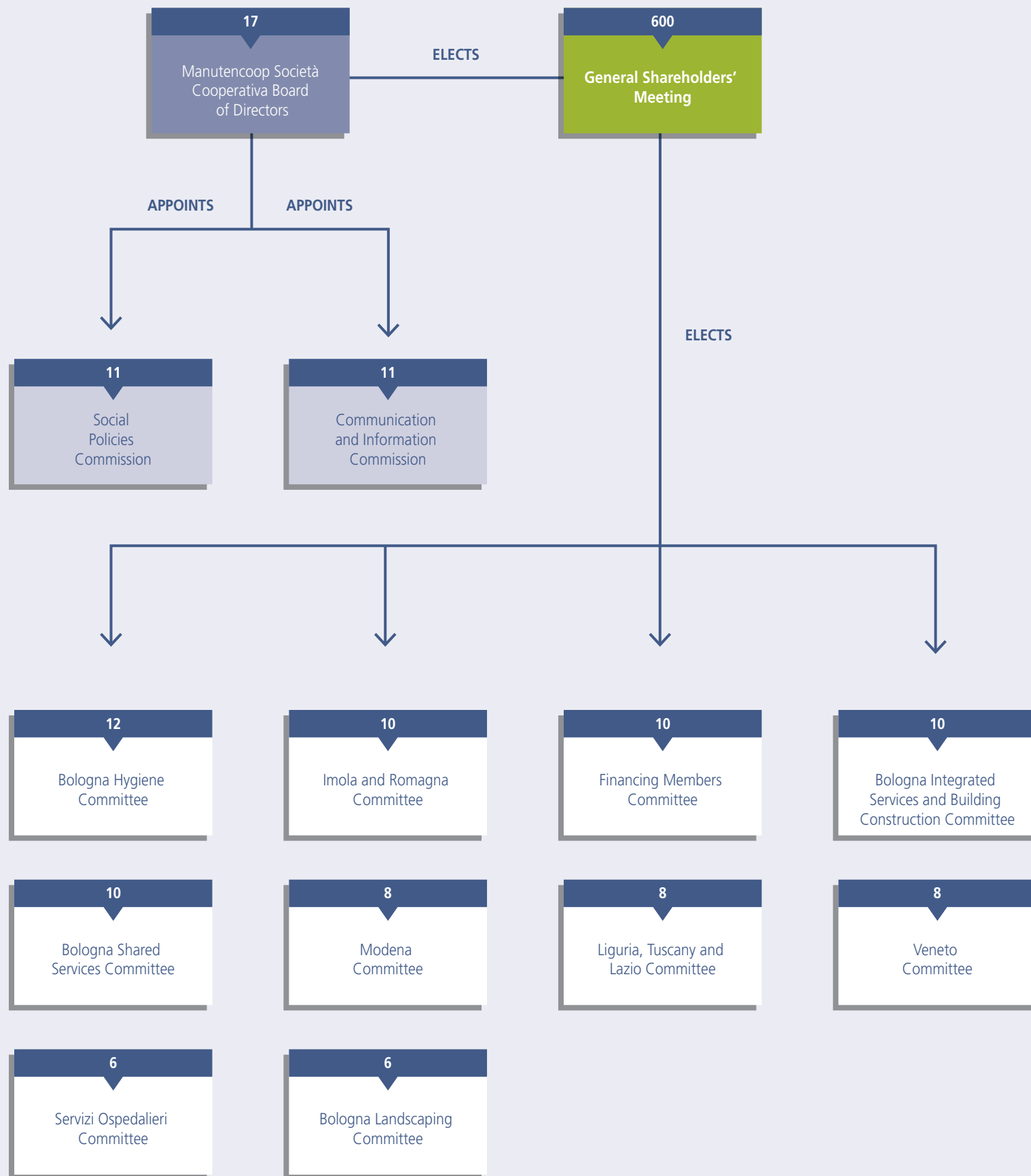
› Tools for work/life balance

Tools for promoting work/life balance have been widely discussed by the Committees and the Commissions, first thanks to the research conducted in Imola and Modena, and also as a result of the roll-out of the trial summer camp project for the children of Group employees.

› Earthquake in Emilia

In May 2012 two terrible tremors struck the territory of Emilia, causing considerable damage. As in 2009 after the L'Aquila earthquake, Manutencoop took action immediately to support the employees affected by the tragedy by opening a Solidarity Fund to collect donations from all Group employees. The collection and distribution of the Fund saw the involvement and participation of the Commissions and the Members Committees, particularly those in Modena.

The figure on the next page illustrates the governance of Manutencoop Società Cooperativa. The number referring to the General Shareholders' Meeting includes member employees with voting rights in the Meeting on the Financial Statements of 28 May 2011, which elected new company officers.



MEMBER COMMUNICATIONS

Manutencoop has over 18,000 employees distributed throughout Italy, so multiple internal communications tools are needed to ensure that everyone is kept updated on Group activities and news and, therefore, feels truly involved.

Manutencoop uses the following internal communication tools:

- › Ambiente – the quarterly house organ in print format sent to all Group employees;
- › Web Ambiente – online magazine: reprints the content of the print version of Ambiente and features videos of the main initiatives carried out;
- › Ambiente Più – half-yearly periodical in print format dedicated and sent to members;
- › Corporate Social Responsibility Report - social responsibility report in print format distributed to members, employees, customers and suppliers;
- › Intranet portal – portal with company information accessible to all employees;
- › Laptop computer – computer provided to all members with a dedicated email account.

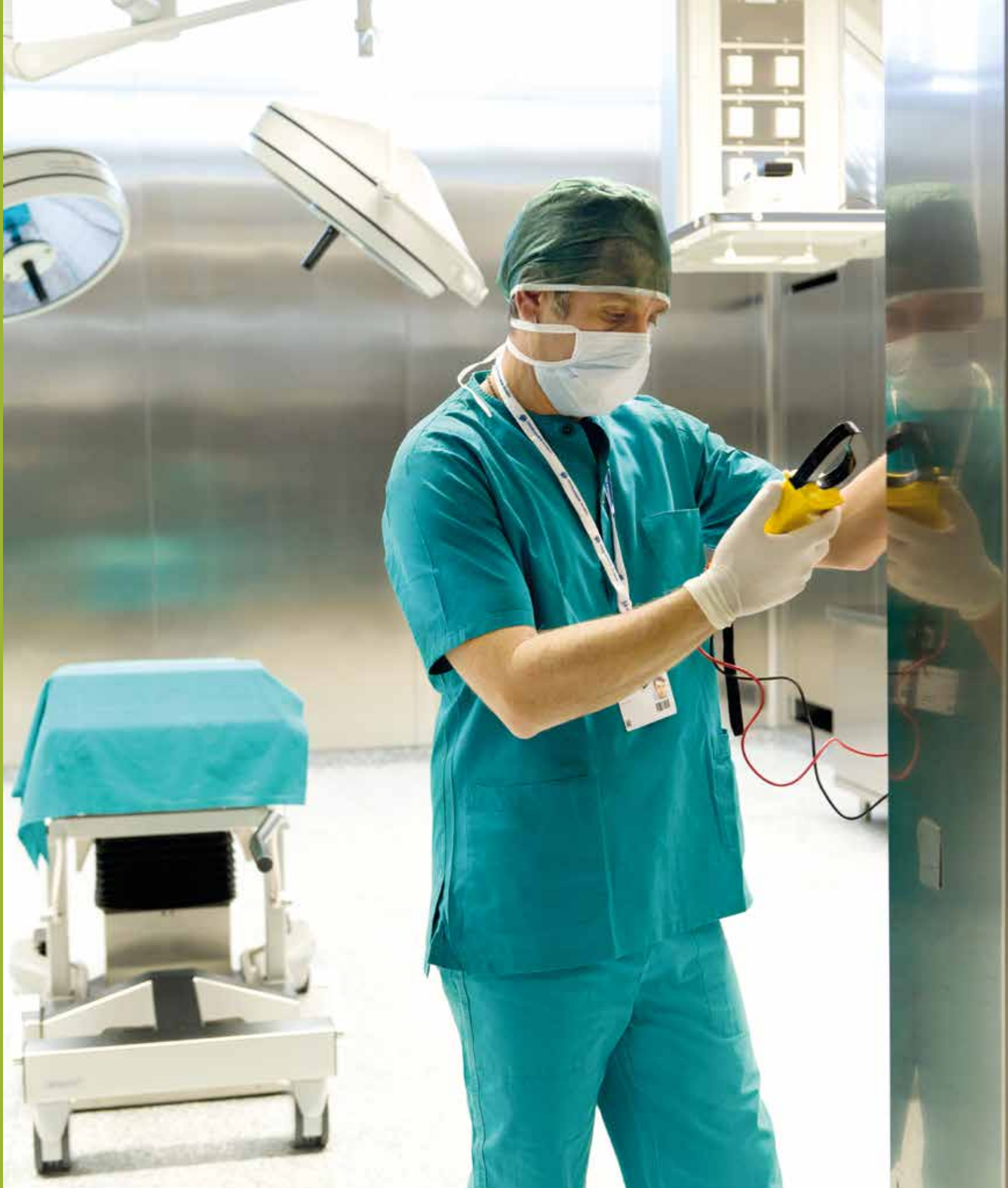
In 2012, 3 issues of “Ambiente” were published and the online magazine www.webambiente.it was rolled out. “Ambiente”, addressed to all Group employees, who receive the magazine at home, intends to foster dialogue within the company. The goal is to share not only information, but especially stories, experiences and reflections.

“Ambiente Più Soci” is the “Ambiente” supplement dedicated only to member employees and financing members, which acts as a source for all news regarding the advantages of being part of a cooperative. Three issues were published in 2012.

Another tool whereby members participate in the life of the Cooperative is the laptop computer which, as part of the Computer Project launched in 2005, is given to each new member employee. With this tool, everyone can communicate directly and receive information and news on everything about the life of Manutencoop. In this sense, using email allows employees to remain updated and to express themselves, ask questions and participate. The most frequent communications regard all of the company initiatives (such as events, projects and meetings) as well as the minutes from the Members Committee and Commission meetings, the Cooperative Board of Directors meetings and the Shareholders’ Meetings.

PART TWO

CORPORATE SOCIAL
RESPONSIBILITY





INTRODUCTION

FROM "EUROPE 2020" TO THE "INTEGRATED REPORT"

This second part of the report makes reference to the European framework "Europe 2020 - a strategy for smart, sustainable and inclusive growth".

Manutencoop has given particular significance to this decision: for a business, expressing corporate social responsibility can be interpreted as contributing to European social and economic lines of development.

To stimulate growth and employment, "Europe 2020" identifies seven priority initiatives, as described in the graphic below.

It is against this general framework that Manutencoop has structured and reported its performance in the last two years.

SMART GROWTH

Innovation	... making sure that innovative ideas are turned into new products and services that generate growth and jobs
Education	... improving the efficiency of education systems and helping young adults enter the job market
Digital	... accelerating the spread of ultra-fast internet and exploiting the advantages of a single digital market for families and businesses

SUSTAINABLE GROWTH

Resources	... building a more competitive low-carbon economy that makes efficient, sustainable use of resources, modernising our transport sector and promoting energy efficiency
Industrial policy	... improving the business environment, in particular for SMEs, and fostering the development of a solid and sustainable industrial base that is able to compete at global level

INCLUSIVE GROWTH

Employment	... modernising labour markets and helping people acquire new skills (...) increasing participation in the labour market and striking a better balance between the supply and demand for manual labour
Fighting poverty	... ensuring social and territorial cohesion so that (...) people experiencing poverty and social exclusion can live in dignity and take an active part in society

However, this report contains several new developments, more in terms of its content than its general structure, and this is above all the result of an initiative launched in 2011 (already referred to in the previous corporate social responsibility report) entitled the “Metrics Project” which will almost certainly constitute the formal structure of the report as of 2014.

Today the reference is therefore “Europe 2020” but the basis for important new developments in terms of method and content, as described further ahead, has been laid.

According to the most recent business performance reporting principles, an “integrated report” must contain information on four main areas:

- › economic performance;
- › managerial behaviour;
- › governance;
- › sustainability.

The original aspect is not so much the list of themes but rather the emphasis on the results one seeks to achieve - the description and weighting of “shared production value” between the company and society.

In essence, the integrated report is a document that describes the company's results in a series of key areas (economic, social and environmental), highlighting the relations between the various categories of factors and identifying reciprocal influences.

As such, an integrated report is not only necessary for implementing a clearer and more concise reporting process. It has a deeper significance:

1. economic aspects should not be separated from social aspects because such a distinction represents the first step towards constructing a hierarchy of issues where, until now, economic aspects have always assumed greater importance. However, the difficulties that the whole of Europe is currently debating show that this can no longer be the case;
2. the value that businesses must produce must be assessed in a holistic and balanced way; you cannot assess economic aspects without also assessing their social consequences and vice versa. There are no boundaries between the two spheres and they must be interpreted reciprocally;
3. making a distinction between the economic and social spheres by producing two documents leads to the separation of responsibilities: on one hand the management, which is responsible for a business's finances, and on the other “the owners”, with whom social responsibility lies; with this type of distinction, the risk is that the management becomes too independent and is largely “freed” of its moral obligations;
4. finally, there is an issue that regards not only those that work for a company, but everybody: stakeholders must also be given responsibility so they can contribute as consumers, workers and citizens to improving the ethics of businesses. However, they must be given the right information and in the right way: this is where the integrated report comes in, the concept on which the “Metrics Project” is based.

THE “METRICS PROJECT”

This project was launched by the Manutencoop Executive Committee in July 2011 with the aim of “constructing a shared metric” which, as well as bringing together business and social aspects, is also developed with widespread participation and plenty of discussion, focusing particularly on the contribution of the younger generation. The end goal is the integration of the business control and social reporting systems with the development of an integrated report, but it is also a chance for important stakeholders to voice their opinions on technical and managerial issues that aren't strictly relevant to their jobs, an opportunity they aren't often given.

The practical phase of the project began with an internal seminar (3 May 2012) attended by around 80 young middle managers as well as members of the Executive Committee, which defined goals and working methods; it was then further developed in a smaller group which constructed a reporting layout consistent with the main strategic objectives and then gathered and processed information.

At the second plenary meeting (which we plan to make an annual event) in May 2013, the Group presented the results of its work to its colleagues, underlining how the Group is open to those that wish to make a contribution.

08 INFO		THE “METRICS GROUP”	
<p>The group is coordinated by the director of Administration and Management Control (Milva Carletti) and the Head of the Communication and Corporate Social Responsibility Unit (Luca Stanzani).</p> <p>Below is a list of the members in alphabetical order:</p>	<p>Michele Codoni Promotion and Development Department</p>	<p>Francesco Francia Purchasing Department</p>	
	<p>Clara Colombini Purchasing Department</p>	<p>Gianluca Giglio Human Resources Department</p>	
	<p>Simona Corsi Manutencoop Società Cooperativa Administration and Finance Department</p>	<p>Gian Franco Graziano Human Resources Department</p>	
	<p>Chiara Del Zotti Human Resources Department</p>	<p>Ivan Lagazzi Technical Business Department</p>	
<p>Luca Buglione Investor Relations, Strategic Planning, M&A</p>	<p>Paolo Di Risio Operations Department</p>	<p>Fabrizio Laghi MPSS Purchasing Department</p>	
<p>Gabriele Cesari Technical Business Department</p>	<p>Alessandro Fiorenzo Administration and Management Control Department</p>	<p>Daniela Vitali Administration and Management Control Department</p>	
	<p>Donatella Zangari Operations Department</p>		

What follows are the results of this work which, although still in progress, gives us an idea of the main issues that Manutencoop must measure itself against.

Finally, the “Metrics project” also has the goal of forming a new management team, giving younger employees, i.e. those it is believed should take on the roles of greatest responsibility in the future, a chance to express their vision, comparing and measuring it, of course, against the constraints and requirements that must be respected in a company. Using metrics means explicitly declaring the performance assessment metric that will be used in the future, offering a vision of the company of the future in the process.

This is the new meaning of economic democracy: not based solely on representing the various interests involved but also on the comparison and synthesis of business and social visions.

In our case, it is a process that is both formative (in terms of our business awareness) and organisational (the construction of a scale of values among the elements that make up the business) in nature.

As is evident, it is a process that cannot be concluded too quickly or too overtly. However, looking at the information that follows you can start to get an idea of the opinions of the young employees who took part in the Project and, as such, what Manutencoop will look like tomorrow to some degree.

Manutencoop asked Impronta Etica - the association of businesses committed to corporate social responsibility of which it has been a member for some years now – to investigate the corporate social responsibility policies of the leading Facility Management businesses in Europe. The research has not yet concluded but we can already highlight some of its most important findings.

Impronta Etica examined 35 European businesses plus 1 from the US. In detail: 3 from Scandinavia (Denmark, Sweden and Finland), 10 from France, 11 from the UK, 5 from Spain and 9 from Germany, observing, in general, their corporate social responsibility policies. Subsequently, the businesses which best represented a benchmark for Manutencoop in terms of size and features were identified for each national group and an additional examination was carried out on the basis of the following criteria:

> CSR in the company (the main corporate social responsibility policies, procedures and guidelines adopted),

> the government of CSR policies (corporate responsibility, organisation, operating structures),
> the target of CSR policies and the connection with the business strategy (who in particular is targeted by the CSR policies and their role in company development plans),
> Investments (procedures, training, communication of CSR POLICIES).

One important aspect to consider when assessing the results of the analysis is the different CSR legislative contexts in which European businesses operate: the reporting constraints on businesses with regard to non-financial performances are in fact more stringent in some countries (Denmark, France) than others (Germany, Italy). That said, it is possible to get an idea of the importance of these issues in companies analogous to Manutencoop and therefore of the company's “positioning”:

1. in terms of employees, the reference models and the guidelines adopted, around half the sample of businesses make explicit reference to approaches and practices recognised at European level.

All of these businesses are located in Northern Europe (including Manutencoop). In some cases, companies have adopted the same criteria used by Manutencoop as regards the “Europe 2020” directive which - as illustrated in this report - is its primary reference guide.

2. Manutencoop is part of a group of businesses that regularly produce a corporate social responsibility report. In comparison, for example, only a few of the German businesses examined publish a corporate social responsibility report while the Spanish and French businesses often limit themselves to supplementing their financial reports with just a little bit of additional information.

3. As for the governance of CSR, Manutencoop is more similar to Nordic Facility Management companies than those in Central or Southern Europe as its CSR policies are overseen directly by the head of the company (the Chairman). In many other companies, meanwhile, these policies are the responsibility of communications or human resources directors.

4. The priority groups among the stakeholders in all of the businesses are the consumers/users and the environment (in its broadest sense), while Manutencoop (like some French businesses in particular) places its employees on an even footing, also because of its original roots as a cooperative.

5. Finally, in terms of KPI, the majority of companies examined use the most common standards as their frames of reference. However, some experiences can be equated to Manutencoop's “Metrics Project”, i.e. the in-depth and targeted review of the main indicators to use in the reporting process, but also as reference guides for planning and control-reporting activities.

We obviously weren't able to construct a hierarchy of “virtuosity” using these first results of the research but we can say that, irrespective of the difficulties and limitations that must be recognised, in terms of its dedication and commitment to the development of a strategic and structured CSR policy, Manutencoop is among the leading Facility Management businesses in Europe.



SMART GROWTH

INNOVATION

Companies must demonstrate their commitment to innovation in a structured and far-reaching way. One issue that is normally given less importance than technical, technological and procedural issues is the general structure of a business, its corporate form, its relations.

However, these issues are central to the strategy of Manutencoop, which has also based its recent development on acquisitions and on an intensive quest for partnerships, particularly of a financial and asset-related nature. This is why it is important to flag up the company's most recent initiatives and advancements.

Manutencoop's financial and corporate innovation process has developed via two areas:

- › legal form, and corporate and governance system;
- › relations with the financial market and consequent recourse to modern tools to gather the resources required for development.

These two areas are closely connected in that the changes to the legal-corporate form and governance have in some cases made it possible (and in other cases only facilitated) to access the capital market, including risk capital, through the use of modern financial instruments such as Private Equity Funds, the launch of a share listing process in 2007 and the issuing of a listed bond in 2013.

More specifically, it is possible to identify two key moments in the Manutencoop Group's recent history that have seen legal-corporate innovation go hand-in-hand with financial innovation:

1. the "corporate revolution" and the entrance of Private Equity Funds;
2. the listing process and the evolution of governance.

Legal-corporate innovation, after the general testing implemented with the spin-off of the Group's real estate assets in 2001 to Manutencoop Immobiliare S.p.A., began in 2003 with the first stage of separation of the core area of operations, Facility Management, from the legal form of the Cooperative to the form of joint-stock company ("S.p.A.") with the establishment of Manutencoop Facility Management (MFM). In essence, the Cooperative transferred to MFM the business unit comprising what was the Integrated Services Division and its shareholdings in the companies BSM and MCB, operating in the same sector, with a total of 396 employees and an overall value of € 43.3 million.

10 INFO GLOSSARY

Private Equity Funds: special companies that operate in the financial market through the acquisition of shareholdings (majority and not) in unlisted companies. Private Equity Funds identify the businesses in which they wish to invest, enabling the latter to fund their growth in exchange for a good ROI in a relatively short timeframe (3-5 years). At this point the fund normally exits its investment by selling its shareholding.

Spin-off: this refers to the creation of a new legal entity in which one or more production activities previously carried out in another company are converged to create a separate business. Spin-offs can be created to streamline a group's production processes.

Core activity: a business's primary activity which creates revenues through sales. "Non-core" activities are all those activities that support the core business such as administration, commercial activities, HR management, logistics etc.

This operation, which changed the legal-corporate relations within the group, is associated with Manutencoop's first major step towards the financial market, immediate confirmation of the close relationship between the two spheres: the entry, at the start of 2004, of three Private Equity Funds into the shareholding structure of the newly-formed MFM with a contribution of € 5.8 million and the subscription of 8.75% of the share capital of MFM.

The second round, identical to the first, took place in January 2005: the transfer of a business unit from Manutencoop Società Cooperativa (the Cooperative) to MFM, comprising the Hygiene Division, the Landscaping Segment and the so-called Shared Services (made up of the business support departments) as well as the minority shareholding in Roma Multiservizi, for a total of over 5800 employees and an overall value of € 55.2 million. The second spin-off was followed by an additional contribution of risk capital by the pool of Private Equity Funds amounting to € 27.3 million and the sale of a 4.75% shareholding in MFM by the Cooperative to another private equity fund. At the end of 2005, 75% of the MFM share capital was held by the Cooperative and the other 25% by the pool of Private Equity Funds.

In 2005 the then Ecology Division was spun off into the newly-formed Manutencoop Servizi Ambientali S.p.A., involving a total of over 900 employees and a value of around € 10 million.

This operation, in 2005, marked the end of the transition phase from the previous business management system based on the concentration of the majority of activities within the Cooperative, structured into divisions, to the transfer of all operating activities to subsidiaries, all of which joint-stock companies managed with a functional organisational system. The Cooperative thus acts as a holding company which manages its members, who work for the subsidiaries, by providing them with personnel management services (payroll and recruitment).

This "corporate revolution" within the Manutencoop Group brought with it the contribution of almost € 40 million in risk capital from financial market participants (Private Equity Funds), which was available for use in the development by M&A strategy that characterised the following years.

In terms of the listing process, the investment agreement entered into by the Cooperative and the Private Equity Funds envisaged the listing of MFM shares on the Italian stock exchange as the preferred exit strategy for the funds.

2007 witnessed the launch of the listing process which saw MFM shares owned by the Funds (25% of the share capital, as mentioned) and a certain amount of newly-issued shares offered on the market so MFM could obtain the capital it required for the further development by M&A of the Facility Management business.

Unfortunately, the listing process was interrupted in early 2008 after all of the authorisations required (Consob and Borsa Italiana) to begin trading had been obtained, because of the unfavourable conditions in the financial markets which would not have guaranteed a sufficient level of satisfaction among the outgoing shareholders or MFM as regards the newly-issued shares.

Departmental/functional organisational structure: in a departmental organisational structure, the organisation is driven by "departments", i.e. units that carry out a specific production activity (until 2003, for example, Manutencoop was divided into the Hygiene, Ecology and Integrated Services departments), each one equipped with various dedicated support structures. In a functional organisational structure, meanwhile, all production activities in the strictest sense are carried out by the relative department and all support services are centralised in specialised divisions.

Development by mergers and acquisitions: a business can increase its turnover in one of two ways. On one hand there is organic growth whereby a business, because its market is expanding or because it acquires some of the market share of its competitors, is able to increase its turnover year on year thanks purely to its commercial expertise. Development by mergers and acquisitions, meanwhile, is an approach whereby a business increases its sales volumes by purchasing another business whose turnover, from that point on, is summed with that of the buying company.

Non-recourse factoring: trade receivables, documented by invoices, can be transferred to a bank in exchange for liquidity with two different risk profiles: non-recourse and recourse. Whereas with recourse factoring the risk of insolvency is borne by the party selling their receivables and the bank can therefore make up its loss and ask the seller for the factoring amount in the event that the main debtor does not pay, with non-recourse factoring the selling bank is saddled with the risk of insolvency (obviously following the payment of a commission) and therefore the seller is not exposed to any risk following the sale.

At the same time as the listing process and in order to equip MFM with a modern and transparent governance model ahead of the prospective listing, in 2007 the MFM Extraordinary Shareholders' Meeting decided to adopt a dual system, which would become effective as a result of the listing.

The adoption of the dual board model, quite common among large companies with shares held by the general public in other European countries such as Germany, is quite rare in Italy as it is characterised by rigid codes of conduct, complex working protocols and stringent procedures.

Nonetheless, the Cooperative felt that the clear separation between ownership and management, as established by the dual model, responded more effectively than the traditional model to the need for greater transparency and a reduction in the potential risk of conflicts of interest typical of a listed company.

In fact, this model makes it possible to establish the most harmonious balance in order to organise, in terms of the overall framework of governance regulations, the dual element of "heterogeneity" in which MFM would have had to operate: the heterogeneity between the Cooperative, majority shareholder and mutualistic entity, and a for-profit subsidiary in the form of a Joint Stock Company, which opts for the listing process; the structural heterogeneity between the various components of the shareholding structure, the Cooperative on one hand, a shareholder that is strong from an industrial perspective, alongside a component, destined to become quite substantial, of "financing" members for whom profits are the overriding reason for their shareholding in MFM.

For these reasons it was deemed appropriate to introduce a dual governance model for MFM, which is still in force despite the interruption to the listing process.

As well as the two aforementioned episodes in which corporate innovation was associated with financial innovation, Manutencoop has shown on other occasions that it is able to adopt modern and innovative financial solutions.

In fact, in 2007 MFM and Servizi Ospedalieri entered into an agreement with the French financial institution Credit Agricole for the recurring quarterly transfer without recourse of trade receivables amounting to up to € 145 million. The agreement made it possible for the two subsidiaries of the Cooperative to liquidate part of the trade receivables due from the public administration (which had very long collection terms), thereby partially satisfying financial needs.

In 2011 a similar agreement was entered into by MFM and MPSS (formerly MCB, another of the Cooperative's indirect subsidiaries) with Intesa San Paolo for the recurring quarterly transfer without recourse of trade receivables due from private customers amounting to up to € 100 million, later increased to € 140 million in 2012. These two agreements have resulted in the advance factoring by the group of over € 2 billion in trade receivables over the last 6 years.

Then, in December 2008 MFM was given the opportunity to make an acquisition that would almost double its business volume: the acquisition of Pirelli RE IFM BV, part of the Pirelli Group and parent company of a group of companies working mainly in the domestic private Facility Management market.

Between the end of July and the start of August 2013, also as a result of the growing problems on the national banking market caused by the after-effects of the financial crisis that struck Italy, MFM announced a € 425 million bond issue, expiring in

2020, reserved specifically for qualified institutional investors. The bond is listed on the Euro MTF Market of the Luxembourg Stock Exchange and can also be negotiated on the Extra MOT Pro Segment of Borsa Italiana. Thanks to this operation, MFM

and its subsidiaries guaranteed themselves the necessary financial coverage to be able to carry out their activities on a long-term basis at a time when traditional financing channels appear to be in serious difficulty. Once again

Manutencoop demonstrated its ability to unearth innovative solutions in order to continue to pursue its mission, overcoming the problems that the macroeconomic context in which it operates has laid in its path.

As is easy to imagine, this transaction required a considerable financial commitment, which therefore resulted in the second investment by the Private Equity Funds, which in the meantime had sold their MFM shareholdings to the Cooperative subsequent to the interrupted listing process.

Therefore, MFM resolved on a share capital increase of € 180 million, which was subscribed by the Private Equity Funds that had participated with satisfaction in the spin-offs of the Facility Management activities at the time of the founding of MFM, as well as other Private Equity Funds. After this share capital increase, the Cooperative held just under 72% of the MFM share capital, with the remaining 28% held by the pool of Funds.

The Pirelli RE IFM acquisition took place due to the new risk capital contribution by the Private Equity Funds, and allowed MFM to take on the leadership role in the domestic Facility Management market.

TRAINING

For Manutencoop, people are the most important resource: in fact, a company's ability to produce value is closely connected with individual abilities and people's inclination to interact with other. For this reason, some time ago Manutencoop decided to invest its time and money in the area of training, teaching and skills development. First of all, with a very intensive internal training programme with the introduction of an awards scheme based entirely on merit and continuous relations with universities and training centres that every year supply the company with numerous apprentices and scholarship winners for training periods.

Training at MFM

In 2012 a total of 103 training activities were scheduled and carried out. More specifically:

- › 58 courses (equal to 56%) covered the mandatory training required by Italian Legislative Decree 81/2008 and subsequent legislation regarding the issues of a) employee safety in the workplace, in order to reduce the specific risks related to activities carried out and

roles covered, and b) the issue of having the necessary qualifications to carry out specific roles that require a significant level of technical preparation obtained by studying for specific certificates and licenses.

- › 45 courses (44%) related to non-mandatory training issues and were developed by Manutencoop on the basis of the professional development goals established by the company to guarantee, on one hand, the strengthening of the skills required to fulfil the business plans and, on the other, to facilitate and stimulate the internal growth of employees.

Training				
Theme	No. courses	No. sessions	Participants	Total training hours
Safety	53	349	3,894	29,307
Technical-professional	5	31	100	2,403
IT	6	7	33	444
Quality and environment	10	17	186	659
Managerial	29	47	292	4,834
Total	103	451	4,505	37,647

Non-mandatory training includes training activities pertaining to:

- › computer knowledge;
- › Quality and Environment management systems;
- › the development of management skills;

Of these three areas, compared with past years management skills training has certainly seen the biggest increase in terms of hours dedicated and number of participants. This highlights the close attention that Manutencoop focuses on issues related to personnel development.

The issues covered in the management courses, taken by qualified external trainers, were:

- › public contract regulations;
- › energy efficiency;
- › energy management training;
- › management of associates;
- › management of conflict and negotiation;
- › development of mind maps;
- › specialisation in purchasing in service companies;
- › commercial development techniques.

All in all, in 2012 Manutencoop invested around € 600,000 in training, a 200% increase compared with the previous year.

There were two reasons for this increase:

1. the new State-Region agreement in the area of Safety training that obliges companies to provide more frequent training updates to their employees, with a specific focus on those hired prior to 2007;
2. managerial training.

Given this substantial increase in training expenses, Manutencoop successfully managed to offset its economic commitments with the more effective management of the funds provided by inter-professional funds, managing to finance around 60% of the activities, a figure that the company aims to improve on even further in 2013.

Internships

In 2012 Manutencoop hosted 33 interns, 6 on work-study programmes, 4 on work placements and 23 trainees. The below table includes the complete list.

Internships							
No.	Period	Company	Department	Site	Town	Type	Promoter
1	6 months	MFM	Purchasing Department	Via Poli	Zola Predosa	work placement	University of Rome
2	3 months	MFM	Communications and Corporate Social Responsibility	Via Poli	Bologna	traineeship	CIP ZOLA
3	6 months	MFM	Operations Department	Via Cristoforo Colombo	Rome	work placement	University of Rome
4	6 months	MFM	Promotion and Development Department	Via Poli	Zola Predosa	traineeship	CIP ZOLA
5	2 months	MFM	Operations Department	c/o Carrefour Giussano	Monza Brianza	work-study programme	Consorzio Desio Brianza
6	2 months	MFM	Operations Department	c/o Carrefour Paderno Dugnano	Milan	work-study programme	Consorzio Desio Brianza
7	2 months	MFM	Operations Department	c/o Carrefour Limbiate	Monza Brianza	work-study programme	Consorzio Desio Brianza
8	6 months	MFM	Area Secretary's Office	Via Lucca	Florence	traineeship	CIP FIRENZE
9	8 months	MFM	Purchasing Department	Via Poli	Zola Predosa	work placement	University of Rome
10	6 months	MFM	Technical Business Department	Viale Sarca	Milan	traineeship	Milan Polytechnic
11	6 months	MPSS	Business Systems	Via F.lli Rosselli	Zola Predosa	traineeship	CIP ZOLA
12	6 months	MFM	Human Resources Department	Via Calvino	Ferrara	traineeship	CIP ZOLA
13	6 months	MFM	Operations Department	Via Cristoforo Colombo	Rome	traineeship	University of Rome
14	6 months	MFM	Technical Business Department	Viale Sarca	Milan	traineeship	Milan Polytechnic
15	12 months	MFM	Administration and Control Department	Via Poli	Zola Predosa	traineeship	CIP ZOLA
16	6 months	MFM	Technical Business Department	Viale Sarca	Milan	traineeship	Milan Polytechnic
17	2 months	MFM	Operations Department	c/o Carrefour Limbiate	Monza Brianza	traineeship	Consorzio Desio Brianza
18	3 months	MFM	Human Resources Department	Via Poli	Zola Predosa	traineeship	Spegea

Internships							
No.	Period	Company	Department	Site	Town	Type	Promoter
19	3 months	MFM	Human Resources Department	Via Poli	Zola Predosa	traineeship	CIP ZOLA
20	6 months	MFM	Technical Business Department	Via Poli	Zola Predosa	traineeship	University of Bologna
21	12 months	MPSS	Business Systems	Via F.lli Rosselli	Zola Predosa	traineeship	CIP ZOLA
22	2 months	MFM	Operations Department Areas and Telecom	Via Cristoforo Colombo	Rome	traineeship	Municipality of Rome
23	2 months	MFM	Operations Department Areas and Telecom	Via Cristoforo Colombo	Rome	traineeship	Municipality of Rome
24	2 months	MFM	Operations Department Areas and Telecom	Via Cristoforo Colombo	Rome	traineeship	Municipality of Rome
25	2 months	MFM	Operations Department Areas and Telecom	Via Cristoforo Colombo	Rome	traineeship	Municipality of Rome
26	12 months	MFM	Operations Department	c/o A. Bonora Outpatient Clinic	Bologna	work-study programme	Bologna LHA
27	3 months	MFM	Administration and Control Department	Via Poli	Zola Predosa	traineeship	Cerisdi
28	2 months	MFM	Communications and Corporate Social Responsibility	Via Poli	Zola Predosa	work placement	University of Bologna
29	6 months	MPSS	Purchasing Department	Via F.lli Rosselli	Zola Predosa	traineeship	CIP ZOLA
30	1 month	MFM	Operations Department	Via Poli	Zola Predosa	work-study programme	I.I.P.L.E.
31	6 months	MFM	Human Resources Department	Via Cristoforo Colombo	Rome	traineeship	CIP ROME
32	1 month	MFM	Operations Department	Via Poli	Zola Predosa	work-study programme	I.I.P.L.E.
33	2 months	MFM	Communications and Corporate Social Responsibility	Via Poli	Zola Predosa	traineeship	University of Ferrara

Work-study programmes last for 1-12 months depending on the type of grant and the institution that awards it. The average length of the work-study programmes at Manutencoop was 3 months.

Work placements, i.e. those that form part of study programmes and are valid for obtaining training credits, lasted for an average of six months.

Trainee positions lasted for 5 months on average.

Training at the Cooperative

In 2012, 83 training activities were held involving 124 participants for a total of 1772 hours of training.

The cost of the activities carried out was completely covered by financing, through the use of two funds:

- › Forma.temp, for temporary workers;

› Foncoop, the reference Inter-Professional Fund for Cooperative employees. The courses covered the development of both across-the-board and professional technical expertise with training activities centred on the accounting/administration area and on the management and administration of personnel.

There were also technical training activities, held in association with the Group companies, which involved temporary workers, focusing particularly on the Hygiene Project and the management of pay packets.

The training activities on Safe Driving, which involved 56 workers, both Cooperative employees and temporary workers in the Group companies, also continued. The aim of the course is to raise awareness of the correct functioning of the main safety systems on the vehicles and the best manoeuvres to carry out in critical driving situations in order to reduce the number of accidents. The course consists of 8 hours of practical training on the road at the Vairano di Vidigulfo track in Pavia.

Hours of training were also provided on the theme of group work, and these mainly involved the Personnel Management and Administration department.

Finally, a number of analysis and feasibility study activities were carried out: one of the first of these activities involved the preparation of an advanced Contact Centre model for the Personnel Administration Freephone service; another involved the development of a project on Law 53/00. This Law provides for the payment of contributions to businesses for actions designed to reconcile work with the private lives of employees through the introduction of flexible hours and measures to support workers that have to look after children and family members that are not self-sufficient. The analysis phase of this law, carried out with the Corporate Social Responsibility Unit, led to the presentation of a project to the Ministry of Labour, which was approved in November 2012 and which will be implemented in 2013-2014.

As in previous years, the partnership with the Salvemini Technical and Commercial secondary school of Casalecchio di Reno (Bologna) continued, enabling a number of its pupils to carry out periods of work experience in the company.

DIGITAL

The eVO project

The eVO (electronic Voucher) project involves the complete digitalisation of the “Counter purchases” management process by providing Manutencoop’s Maintenance Technicians with PDA’s that enable them to record purchase data when goods are collected from the supplier. “Counter purchases” are purchases of work materials of up to a maximum of € 1,500 which, until 2011, only took place using paper vouchers for an overall volume of over 38,000 vouchers a year.

The project, which we alluded to in last year’s Corporate Social Responsibility Report, was launched in May 2012, involving only the Emilia area and a pilot group consisting of:

- › 25 Maintenance Technicians;
- › 10 Building Managers;
- › 70 suppliers;
- › 245 points of sale.
- ›

The main benefits of the project are:

1. the elimination of the management of paper vouchers;
2. the registering of the purchase in the system at the moment it is made;
3. a reduction in the number of suppliers as purchases using PDA’s are only possible with suppliers that have contracts with the Purchasing Office (around 450) in accordance with the Operations Department;
4. the improved mapping of the process, suppliers and the type of purchase made;
5. the constant overview of purchasing volumes with the possibility of receiving a punctual and/or periodic summary report of all transactions made by one’s technicians;
6. the efficiency and automation of invoice registering procedures with a significant reduction in entry times and paper consumption.

The project was then applied and extended to all Manutencoop areas in November 2012. The initial data is provided below.

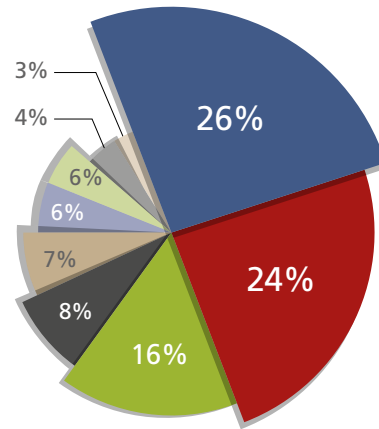
ELECTRONIC VOUCHERS October 2012 - September 2013										
	Telecom	Centre	Emilia	Lazio, Campania, Basilicata	Lombardy	Piedmont, Liguria, Valle d’Aosta	Puglia, Abruzzo, Molise	Sicily and Calabria	Triveneto	Overall total
Oct 2012			295							295
Nov 2012	29	14	461		4	10			16	534
Dec 2012	157	149	361	28	13	52	5	9	58	832
Jan 2013	474	388	458	82	118	118	44	108	169	1,959
Feb 2013	518	404	436	118	123	172	78	111	211	2,171
Mar 2013	595	385	440	134	134	145	94	115	210	2,252
Apr 2013	554	401	426	138	147	148	106	81	176	2,177
May 2013	648	404	523	191	203	198	102	100	184	2,553
June 2013	709	346	486	158	184	173	71	104	180	2,411
July 2013	819	411	562	149	169	200	94	88	207	2,699
Aug 2013	488	276	345	69	92	120	64	49	133	1,636
Sept 2013	797	389	511	139	230	213	71	68	187	2,605
Total	5,788	3,567	5,304	1,206	1,417	1,549	729	833	1,731	22,124

Alongside eVO, the Purchasing Office also developed another important project which we will only allude to here because it was actually launched and implemented in 2013: STREAM (STRategia Evolutiva Acquisti Manutencoop - the Manutencoop Advanced Purchasing Strategy), a portal for the joint management of suppliers. When fully functional, each supplier will have a dedicated portal through which to interact with Manutencoop and, in turn, Manutencoop will be able to direct and control the work of the supplier through its own portal.

The aim of the STREAM project is to make relations with suppliers more efficient through a platform that is capable of managing the list of suppliers, order documents, purchase request documents, contracts and tax contributions.

ELECTRONIC VOUCHERS
May 2012 - September 2013
Annual analysis

- Telecom
- Emilia
- Centre
- Triveneto
- Piedmont, Liguria, Valle D'Aosta
- Lazio, Campania, Basilicata
- Lombardy
- Sicily, Calabria
- Puglia, Abruzzo, Molise



Corporate communications

In terms of both internal and external communications, 2012 was a year of great innovation for the Manutencoop Group characterised by investments focused mainly on the web, which has become an irreplaceable tool both for dialoguing with employees and supporting commercial activities.

Many digital innovations have made it easier to explore the Group's websites, which are even richer in terms of information, images and methods of interaction.

The corporate websites www.manutencoop.it and www.manutencoop.coop have been restyled in terms of their graphics: new photos, a new design suitable for optimum use on mobile devices, new sections with new content. More specifically, the two sites were completely redesigned using the Responsive Web Design technique which guarantees optimum viewing on all desktop (PC, notebook) and mobile (smartphones, tablets) devices. A new Employees' Area was also created to provide information on the employment relationship, relevant news for workers, an FAQ section on illness, family allowances, work permits etc. and an area dedicated to company welfare initiatives. The decision to strengthen web communications with employees stems from the need to supplement house organ "Ambiente" (traditionally the main means of direct communication with workers) with a more immediate channel, also in view of the growing digital literacy of workers, and blue-collar staff in particular.



A corporate App (available for free in stores for all operating systems) was also created and promoted, and targeted in particular at customers and financial stakeholders. The new Manutencoop App brings together a presentation of the Group and its activities in a single application. It includes presentations of the Group companies and updated corporate information. Users can consult news, financial statements, press releases and quarterly reports (receiving notification each time new content is added) and download and read the company magazine "Ambiente" in total tranquillity, also offline. It is possible to view every issue of the magazine, which contains a mix of corporate articles, interviews and generic informative pieces on economics, the environment and solidarity, and columns on day-to-day topics as described through the eyes of employees (food, travel, gardening, film, books etc.) so readers can keep up-to-date on the company life - work-related and non-work related - of the Manutencoop Group: people, events, economics and initiatives. In both its digital and paper versions, "Ambiente" is the "ID" document par excellence, a medium which, thanks to the photos and stories of colleagues, even enables employees working in the furthest possible municipality from the head office to feel part of a major Group. However, alongside the historic magazine, Facebook is also proving very adept at creating a sense of belonging to the Group: the Manutencoop corporate page had recorded 1200 "likes" (ed. those who want to receive the content published on the page click on "like") at the end of 2012. Users are primarily employees that use the social network as an additional channel of communication and way of interacting with their colleagues across Italy. In 2012 the Manutencoop company profile was also created on LinkedIn, a network used mainly for the development of professional contacts, while the company's activities on Twitter, a tool used mainly in association with public events (live tweets etc.), also continue. In parallel with development on the web and the digital media, Manutencoop's external communications have also made use of more traditional tools. More specifically, in 2012 the brochures and the various communications materials of the main subsidiaries were aligned with the Group corporate identity. With the aim of further strengthening the coordinated image, a structured "Style Manual" was developed and distributed with indications on how to align documents, commercials proposals, reports and so on with the corporate identity. The printing of the "Ambiente" house organ (over 15,000 copies per issue) and the commercial brochures continue to be zero-impact: CO2 emissions, which are generated directly or indirectly during printing, are calculated and offset through the acquisition of climate protection certificates which neutralise the environmental impact of the printing systems. Finally, Manutencoop's commercial and brand awareness activities also take the form of events and sponsorships. The most significant initiatives in 2012 included the "Reinventiamo gli immobili" (Reinventing real estate) conference on 28 November 2012 at Palazzo Giustiniani, one of the seats of the Italian Senate, in Rome. Dedicated to the theme of energy savings in buildings, the event was also attended by French economist Jean-Paul Fitoussi, among others. The Manutencoop Group participated with its own stand at Sicuraday (promoted by subsidiary Gruppo Sicura), dedicated to the theme of safety in the workplace, and at the 2012 Ecomondo, the main trade fair event for Southern Europe and the Mediterranean on the exploitation and recovery of materials and the Green Economy.



SUSTAINABLE GROWTH

SUSTAINABILITY

One of the most important action areas in 2012 was the development of the theme of environmental sustainability, which was the subject of in-depth investigation and structuring. Manutencoop is a business that carries out all of its activities in the environmental sphere and so addressing the issue of the environment and sustainability is particularly difficult, mainly because of the pervasiveness of the issue. On one hand there is the difficulty of getting hold of reliable information, on the other there are the criticalities connected with the relationship between the company's activities and environmental issues.

It is for this reason that an important part of the previously alluded-to "Metrics Project" regarded Manutencoop's relationship with the environment which - also with reference to the most accredited guidelines and standards - made it possible to define the reporting criteria first employed in this report.

For these reasons, being able to determine a parametric system with regard to environmental issues must be regarded as an important stage in the process, a first conventional step which much correspond with consistent behaviour.

Reporting criteria

As we have just said, the concept of sustainability is a particularly complex issue at Manutencoop given that all of its various activities impact either directly or indirectly on the environment and environmental resources. The reporting of these aspects will be highly structured and incremental in the sense that improvements and the completion of the picture will inevitably take place bit by bit.

As an initial approach, it was decided that three groups of distinct phenomena could be considered:

1. **Vertical activities and aspects:** that which specifically regards the various services provided by Manutencoop.
2. **Horizontal activities and aspects:** that which regards, indiscriminately, Manutencoop energy and environmental issues regardless of the services provided by the various company areas.
3. **The case studies:** excellent practices, experiments and problems that illustrate the evolution of sensibility or practical actions, or that indicate Manutencoop's evolution in this area.

The two graphics that follow are therefore based on different logic:

- › the first must be interpreted with reference to individual services and the point of departure is the natural resource in question. This means, for example, that if you talk about the consumption of water or energy, or emissions, there must be a specific reference for every service (technical maintenance, landscaping, logistics services, heat management etc.).
- › The second regards horizontal activities and case studies and deals with some aspects of the business and its competencies more directly. The key elements are therefore the functioning of the plants and sites and above all the initiatives that Manutencoop adopts to align its activities with environmental sustainability requirements such as, for example, communications, the use of printers and electronic devices in general, and training on environmental issues.

Vertical activities		
1st level phenomena	2nd level phenomena	Indicators
Legal and regulatory issues	Character and evolution of reference regulations	Amendments and updates Reflections on organisation and management
Water	Consumption Re-use Purification	Quantity Descriptions Comparisons in time and other indices
Products, materials	Characteristics Evolution Trials	Quantity (changes, savings) Descriptions Comparisons in time and other indices
Energy	Thermal Electric Renewable	Quantity (changes, savings) Descriptions Comparisons in time and other indices
Waste	Recycling and disposal Intermediation	Quantity by type Descriptions Comparisons in time and other indices
Emissions	Acoustic Climate-altering Electromagnetic	Quantity Descriptions Comparisons in time and other indices

Horizontal activities and case studies		
1st level phenomena	2nd level phenomena	Indicators
Property and plants owned	Sites Plants Dump trucks	Energy consumption (savings) Emissions Effects on safety and wellbeing
Information	Information on environmental and energy aspects Training and educational activities on environmental issues	Issues dealt with in <i>Ambiente</i> and <i>Ambiente+Soci</i> Internal training initiatives Indicators on the evolution of employee awareness (investigation)
Responsibility and reporting	Organisational and compliance references Map of references	Positions and levels of responsibility Inter-organisational relations
Customer-related activities	Marketing and environmental and energy phenomena Training and communications to customers	Communications to customers (no. issues) Training and other initiatives
Case studies	Evolution, trials, ongoing (or planned) processes	Descriptions, narrations

As already specified, not all areas listed in the tables are reported on in equal measure, but Manutencoop's goal is to provide a complete picture as quickly as possible. Moreover, outlining the goal of the reporting process means taking on an explicit commitment in this regard.

Legal and regulatory issues

The Green Public Procurement (GPP) instrument is a process whereby public authorities take due consideration of environmental issues in their procurement procedures. In other words it is a process for choosing "products or services that have a minor, or reduced, impact on human health and the environment compared with other products and services used for the same purpose". Green procurement therefore means buying a product/service taking into account the environmental impact that it may have during its life cycle, from the sourcing of the raw material to the disposal of waste. It is one of the main tools adopted to implement sustainable development strategies.

Recourse to the GPP instrument has been encouraged for a number of years by the EU which talks about it in the "Green Paper on Integrated Product Policy" of 1996 and in the Sixth Environment Action Programme, developed in the Integrated Product Policy. However, it is with a 2004 directive that, at legislative level, the possibility of adding the environmental variable as a criterion for the evaluation of products is recognised.

In Italy Green Public Procurement is not mandatory but there are a number of regulations that encourage its introduction, establishing specific requisites or goals for the procurement and/or use of specific products or services.

In order to fulfil the European directives, in April 2006 the Code on public works contracts, public service contracts and public supply contracts was published. Although not rendering the practice of green procurement obligatory, the Public Contracts Code

gives all public and local authorities the opportunity to make environmentally and socially preferable choices, also subjecting them to the principle of cost effectiveness.

For public authorities it is therefore possible to make green 'procurements' by intervening in the 5 phases established by the legislation on public contracts:

1. definition of the subject matter of the contract;
2. definition of technical specifications;
3. selection of candidates;
4. awarding of the contract;
5. implementation of the contract.

At the same time, the Italian energy efficiency action plan established by the Government includes measures to meet the target set by the European directive, i.e. 9% energy savings by 2016. This plan includes a commitment to promoting investment programmes to improve efficiency in the area of public lighting and financing to encourage the expansion of the relative energy service.

With an interministerial decree in 2008 the "National Action Plan for Green Public Procurement (PAN GPP)" was adopted which, among other things, defines the Minimum Environmental Criteria for 11 product categories with the aim of assisting public contracting authorities in putting GPP into practice and facilitating the attainment of environmental sustainability.

The minimum environmental criteria are defined as "technical indications" both environmental and, where possible, ethical-social in nature, of the PAN GPP connected with the various phases of the tender procedures. In the event of adoption by "contracting authorities", they will make it possible to define the procurement or concession as "sustainable".

Of the 11 categories of products and services whose minimum environmental criteria have been published with a specific decree, those of interest to us are:

- › cleaning services;
- › public lighting;
- › energy services.

The aim of the PAN GPP is to construct a transparent knowledge system for the entire supply chain, making it possible to monitor whether key human rights and minimum standards relating to working conditions, recognised at international level (the eight fundamental conventions of the International Labour Organization - ILO, the Universal Declaration of Human Rights etc.), have been respected.

Water

To limit the impact of the cleaning and environmental hygiene service on natural resources (water) and the environment (pollution from chemical products, waste), the company has begun to propose its customers alternative solutions to the traditional systems; for example, as regards the cleaning of floors, instead of the traditional trolley with two

buckets (minimum water required: 25 l) the 'pre-soaked' system was introduced, which is able to reduce water consumption by 60%.

As well as the reduction in the consumption of water during the washing process, as mentioned, this innovation also speeds up the entire cleaning process. The key is to identify the most suitable system for each worksite.

Manutencoop is nonetheless proceeding with the gradual introduction of the "pre-soaked" system in worksites and orders.

In terms of water consumption, important results have been attained by Servizi Ospedalieri, the Group company that launders and rents hospital linen, designs and manages sterilisation facilities for surgical instruments and provides sterile operating room kits in re-usable technical fabric.

SO has four plants (Ferrara, Porto Garibaldi, Lucca and Teramo), each of which is equipped with a well from which water is drawn (approx. 400 m³ a day per site). The water is then treated at the entrance. Once treated, the water is sent to the production lines where around 40% is recycled.

At the end of the cycle, the water is sent to the purification facility at each plant with the exception of the Porto Garibaldi plant, which treats water in 24 hours and then discharges it into the public sewers.

In terms of savings, consumption fell from 0.0471 m³ of water per kg of laundry delivered in 2008 to 0.0225 in 2010 and 0.0218 in 2012. In absolute terms, 782,000 m³ of water was consumed in 2010 and by 2012 this figure had dropped to 690,000 m³.

Products and materials

The quantities of chemical products purchased in 2012, used in the hygiene sector and measured in kg/litre or number, are reported in the below graphic.

Purchase of chemical products - Trend 2008-2012



Compared with 2011, overall spending on products fell by 18% in 2012, also as a result of the streamlining policy implemented by the Purchasing Department.

As for the number of green products used in 2008-2012, please refer to the histogram to the side.

In addition, as regards chemical products, thanks also the growing sensitivity of the Purchasing Department the Cleaning service has used and proposes ultra-concentrated products also in "disposable" versions. These replace the traditional cans of product, thus reducing the amounting of waste produced (in terms of both cans and packaging). As well as reducing waste production, the other advantages of this experiment are:

- › the reduction in the risk of product waste or shortages;
- › optimisation of the dilution phase and operating times;
- › a reduction in stock-in-trade volumes and warehouse spaces for product storage;
- › a reduction in pollution stemming from the transportation of products and waste;
- › promotion by the public authorities.

At the end of 2011 Manutencoop began an important trial of Pellenc-branded electric battery powered landscaping equipment.

This trial, which produced its first results in 2012, had the following goals:

- › to assess the efficacy and efficiency of electric landscaping equipment through comparison with the internal combustion engine equipment currently used in our worksites;
- › to assess the environmental sustainability of this equipment;
- › to compare, in financial terms, the equipment being trialled with the internal combustion engine equipment currently used in our worksites;
- › to compare the risk assessments for the equipment used.

Partner in the initiative was the global French group Pellenc, which specialises in the design and development of apparatus for viticulture, olive growing, arboriculture and green spaces in general. The consummate professionalism, excellent quality and characteristics of the products they market, such as their practicality and ease of use, as well as their attention to and respect for the environment, thanks to their minimal CO2 emissions, have made Pellenc a leading name in the industry that is able to respond positively to the new requirements of the market.

The trial also involved other areas bordering Giardini Margherita which made it possible to record the values of the parameters under examination.

The operations carried out during the trial phases are listed in the table on the page opposite, together with the various pieces of electric equipment used.

Job	Equipment tested
Trimming prior to and/or after the work of mowers, cutting of weeds along kerbs and flowerbeds. Pruning of hedges (e.g. Privet and Pyracantha) and trees (Carpinus Pyramidalis and Cypresses) that undergo frequent cutting.	Excelion string trimmer Helion HU 63 hedge trimmer.
Cleaning of lawns and paved areas of all types of plant debris (grass and leaves) and any light urban waste (paper).	Airion blower
Pruning, lopping and trimming of branches < 3 cm.	Treelion manual loppers
Lopping, thinning out and trimming of dry parts of branches < 7 cm.	Selion M 12 chainsaw
Lopping, thinning out and trimming of dry parts of branches < 15 cm.	Selion C20-15 chainsaw
Hoing and weeding of flowerbeds and various surfaces planted with annual and perennial herbage and border shrubs.	Cultivion hoeing machine.

The tables below list the data recorded for each piece of equipment trialled. The data were compared with those of the equipment used in the worksite before the trial.

Performances	Motorised string trimmer	Electric Pellenc string trimmer	% diff.
Yield	750 m ²	375 m ²	-50.00
Consumption	0.60 l/h	500 W/h	-93.75
Weight (kg)	6.30	3.30	-47.62
Vibrations Aeqsum (m/s ²) *	3.45	3.24	-6.10
Noise db/pa	88.6/0.5383	78.7/0.1722	-68.00
* Average value			

Even taking account of the savings made through electric consumption as compared with the use of a fuel-oil mixture, the difference in yield is such that the equipment is only worth using in specific circumstances. In fact, the electric string trimmer proved to be similarly productive in terms of trimming operations and much less productive as regards mowing.

Performances	Motorised hedge trimmer	Electric Pellenc hedge trimmer	% diff.
Yield	40 ml/h	44 ml/h	+10.00
Consumption	0.55 l/h	200 W/h	- 97.27
Weight (kg)	5.5	3	- 45.45
Vibrations Aeqsum (m/s ²) *	7.4	5.37	- 27.40
Noise db/pa	94.2/1.0257	85.9/0.3945	- 61.50
* Average value			

The yield and characteristics of the electric equipment are excellent.

In the case of a fuel-oil mixture powered hedge trimmer used for an average of 174 hours per year, using a battery-operated hedge trimmer should make it possible to save around € 186 just in terms of the fuel saving.

Performances	Fuel-oil mixture powered blower	Electric Pellenc blower	% diff.
Yield*	1,200 m ²	1,200 m ²	
Consumption	1.00 l/h	600 W/h	-95.50
Weight (kg)	9.7	8.4**	-13.40
Vibrations Aeqsum (m/s ²) ***	1.56	1.86	+19.20
Noise db/pa	91.2/0.7262	78.2/0.1626	-77.60

* Motorised device produced higher quality work on lawn. The performances on concrete are similar.
** Battery weight included (6 kg)
*** As it cannot be propped on the shoulders, the electric blower does not impact on the spine; the comparison between the various values refers to the hand-arm system

The yields are similar even if, on wet grass, the fuel-oil mixture powered blower is more effective. The impact of the electric apparatus is better for the operator even if this is difficult to demonstrate. In the case of a fuel-oil mixture powered blower used for an average of 753 hours per year, using a battery-operated blower should result in annual savings of around € 1,438 just in terms of the fuel saving.

Performances	Manual loppers	Electric Pellenc loppers	% diff.
Yield *	250	423	+59.10
Consumption	-	90 W/h	
Weight (kg)	0.9	1.7	+88.89

* Number of cuts per hour

In terms of safety, 250 repetitive movements with manual loppers is far more tiring than 423 cuts with the electric loppers.

Performances	Motorised chainsaw	Electric Pellenc chainsaw	% diff.
Yield	The yields were similar in the cutting down of two similar trunks		
Consumption l/h *	0.56 l/h	300 W/h	- 95.98
Oil consumption	The electric chainsaw consumes 50% less oil		
Weight (kg) **	3.5	2.0	- 42.85
Vibrations Aeqsum (m/s ²) ***	4.78	1.68	- 64.90
Noise db/pa	100.2/2.0466	87.4/0.4688	- 77.10

* Figure does not take account of the lubricating oil consumed by the chain
** Not including bar and chain
*** Average value

With similar yields the electric chainsaw halves consumption and offers significant benefits in terms of weight, noise and vibrations for the operator.

In the case of a fuel-oil mixture powered chainsaw used for an average of 202 hours per year, using a battery-operated chainsaw should result in annual savings of around € 217 just in terms of the fuel saving.

In light of the results produced by this trial the MFM Landscaping Segment purchased 7 hedge trimmers, 5 blowers, 2 chainsaws and 1 string trimmer.

13 INFO INCREASINGLY SUSTAINABLE GREEN AREAS

Manutencoop and Bologna FC are trailblazers in Italy, the Northern team ranked number one in the country in terms of “environmentally-friendly landscaping”.

In the maintenance and landscaping of the areas used by the football club, the Manutencoop Facility Management green operators respect the parameters of the NT01 technical regulation (as certified by “Bioagricert”, a national body authorised to monitor and certify organic produce), which entails:

- > a reduction in chemical active ingredients in green areas;
- > energy savings;
- > a reduction in the consumption of irrigation water;
- > the gradual reduction in the use of products and equipment that can cause environmental damage or threaten the health of people that work on the pitches and the sportsmen themselves.

Following an initial experimental phase which involved the green areas of the Nicolò Galli technical centre in Casteldebbole (a total of 27,200 m² of playing fields), the project will also involve the 7,200 m² of Bologna’s “Renato Dall’Ara” stadium.

The project will produce numerous benefits: the streamlining of water resources (e.g. lowering the temperature of the grass or reducing watering times at cooler times of day) will make it possible to reduce water requirements by 15% with notable energy and water savings; the presence of harmful pathogens (fungi and similar) and insects will be combated with mechanical intervention (e.g. the reduction of morning dew) or by using products authorised for organic farming or chemical products with minimal environmental impact; weeds will be combated with small manual mechanical operations or chemical treatments with minimum dosages to minimise environmental impact; a mixed fertilisation programme (30% entirely organic compost, 40% chemical compost and 30% mixed) will make it possible to reduce the usage of 100% chemical products by 60%.

By applying these measures it will be possible to reduce water consumption, the use of fertilisers and products as per the European regulations. And the soil will see a 40-50% reduction in chemical substances, to the great benefit of the footballers.

Manutencoop Facility Management’s “environmentally-friendly” management approach also continues to grow away from the stadium.

For the third consecutive year its planning and management of green areas complied with the “Bio-Habitat standard for the application of organic methods to non-agricultural green areas”.

From the best known and most frequented public park in Bologna - Giardini Margherita - to the Parco delle Querce, “Primo Zecchi” park, the gardens of the Ospedale Maggiore hospital, “Nicholas Green” park and “Pierpaolo Pasolini” gardens, and through to the gardens of the “Jacopo della Quercia” school, “Baden Powell” park and Parco dei Cedri, the most important green areas in the city are maintained according to the parameters of Serbios Bio-Habitat certification: the efficient management of resources and the use of products, equipment and techniques with reduced environmental impact.

Developed with the Municipality of Bologna, the project involves a management approach that eliminates water wastage and plant health abuse, encompassing every aspect of the maintenance of

green areas: irrigation, mowing, the pruning of shrubs, the fertilisation of the land and the removal of pathogens and microfauna from the flora as part of the biological pest control process. There are also technical aspects such as the banning of string trimmers, often the cause of damage to plant collars.

The regulations touch on all areas of landscaping:

- > the recovery of rainwater;
- > undersoil drip irrigation (spray irrigation favours pathogens);
- > the creation of conservation areas for local fauna and the repopulation of entomofauna;
- > respect for local flora (for example, only 10% of all trees can be tropical trees);
- > precise indications for mowing (“alternate mowed areas with non-mowed areas in order to protect microfauna” says the text);
- > indications for protection against parasites and plant pathogens (“preventive measures must be prioritised” and the use of mechanical equipment as opposed to chemical products);
- > all measures designed to conserve and protect the natural habitat.

- › The contribution of Servizi Ospedalieri is also quite significant in terms of materials.
- › SO treats 3 different types of fabric:
 - › bed linen (covers, sheets...), which represents 70% of the fabrics treated;
 - › tailored linen (overalls, trousers, jackets...), which accounts for 25% of fabrics treated;
 - › re-usable technical fabric, a waterproof fabric that is used in the operating department and supplied sterile (5% of fabrics treated).

Given its relatively contained costs, bed linen is subject to minimal maintenance (mainly tailoring) and excess material is disposed of as waste and disposal is paid for. As for re-usable technical fabric, an important recycling project is taking place, as described in the box below, because until now it has been treated as waste. However, there is a difference compared with bed linen: unlike re-usable technical fabric, after an average life of 60 wash cycles bed linen is easy to dispose of. In this regard, being a medical device the average life of re-usable technical fabric must respect the legislation in place. The average life is established by the manufacturer/distributor (until 2011 this was around 70 washes). Through a series of careful and precise tests, Servizi Ospedalieri has shown that re-usable technical fabric can survive up to 80 washes. Suppliers can therefore state the limit of 80 washes, rather than 70, on the labels of newly manufactured products.

14 INFO **THE RECOVERY AND RE-USE OF RE-USABLE TECHNICAL FABRIC**

Pastel-coloured overalls, masks, towels and bed sheets become games for children, coats for animals, key-rings, laptop bags, bicycle seat covers and little mats: the project for the production of articles obtained from the recycling of fabric waste from the operating theatre sterile kits supplied by Servizi Ospedalieri S.p.A. was presented in Ferrara in May 2013. This trial initiative was carried out as part of the LOWaste (Local Waste Market for second life products) initiative, a European project for the recovery of waste through the development of a recycled products market that, as well as making it possible to reduce the amount of waste produced at local level, can also generate savings in resources and a general increase in the percentage of recycled materials. Developed with the contribution of the European Commission, the project entails the creation of four closed cycles of waste (textiles, food oil, inert demolition materials and street furniture/recreational apparatus) that make it possible to reuse the materials and re-introduce them to the market. The project aims to act on both supply and demand: on one hand focusing the attention on 'green procurement' by public authorities and individual entities and businesses, on the other developing the right conditions in order to procure and exploit materials that can be reused, recycled and re-submitted to the market. In addition to this there are also a number of other specific goals, e.g. the development of a market for second life products that can be replicated in other contexts and the spread of knowledge and information on the themes of prevention, reuse and recycling. The initiative also aims to create social benefits through the involvement of cooperatives that operate in the waste processing and eco-design product development sector, and which run rehabilitation and work integration programmes for people in difficulty. With a long-standing interest in trialling and promoting solutions for the recycling of textiles materials used in its healthcare linen laundering and hire activities, Servizi Ospedalieri S.p.A. has chosen to participate in the LOWaste project by donating its waste re-usable technical fabric, a material used in the sterile kits supplied to operating theatres. Re-usable technical fabric is a compound of next-generation fibres (trilaminare and microfibre) that ensures strong impermeability against liquids, the reduced release of particles and breathability, and which, thanks to its physical qualities, is perfectly reusable after every sterilisation cycle, guaranteeing consistent levels of performance over time. When no longer usable, the fabric is usually sanitised and disinfected and the procedure to dispose of special sanitary waste begins. However, with the LOWaste project, at the end of their cycles the materials can be given new life: in an initial trial, a sample was sent for recycling to "La Bottega di Utilla" of the Awalè Association, a cultural social cooperative whose goals include the spread of the culture of reuse. The association processes the re-usable technical fabric following the entire procedure: from the separation of materials according to type and colour through to the re-tailoring of the fabric through cutting and sewing to create a range of creative recycled objects with little eco design items (little mats and soft toys for children, tablet holders and little free gifts for trade fairs and conferences). As part of the LOWaste project, which will conclude in June 2014, re-usable technical fabric will undergo further experimentation, the results of which will be presented during a public event in the spring of 2014 (for information: www.lowaste.it).

Energy

Servizi Ospedalieri has achieved a number of important results in terms of energy consumption. In 2009 the company embarked on a major industrial restructuring campaign targeted at the reorganisation of production and this saw the plants switch to a 5-day week (Monday to Friday) of 8 hours a day for a total of 40 hours a week, from the previous 6-day week consisting of 6 hours a day. Thanks to this development, and the subsequent technology investments (approx. € 3 million), in terms of production the plants are more efficient and less energy intensive and primary energy consumption (electricity and gas) has fallen.

The reorganisation of the production cycle then began with the training and specialisation of personnel, which led to improved productivity. Thanks to the investments and savings made, SO presented 4 projects for the attainment of white certificates, all of which were approved. White certificates, i.e. certificates issued by independent certifying bodies that attest to the energy savings made by entities on the market as a result of energy efficiency improvement measures, last for 5 years and are worth around € 1.8 million in addition to the savings made in gas consumption. The first plant to be audited was Porto Garibaldi in 2011, and in 2012 auditing took place at the other three sites: Ferrara, Lucca and Teramo. The most significant data in terms of the energy savings made were connected with gas consumption; energy consumption performances, meanwhile, were less impressive with the reduction far less significant following the installation of cooling systems in the plants to improve the microclimate and aid workers.

The data relative to gas consumption (m3 per kg of linen) illustrate a contraction from 0.198, the average figure for all of the plants in 2007, to 0.159 in 2012, compared with an average figure among competitors of between 0.17 and 0.20 (m3/kg). The best-performing plant was Lucca with an average gas consumption of 0.13 m³ per kg of linen.

The table and graphic below illustrate the energy consumption in TOE (Tonnes of Oil Equivalent, a unit of measurement of energy that represents the amount of energy produced through the combustion of a tonne of crude oil) relative to 2012, by specific area. The data are taken from the 2013 FIRE (Italian Federation for the Streamlined Use of Energy) declaration.

Area	2009	2010	2011	2012
Sites, offices, warehouses and worksites	1,170.5	819.9	858.2	1,078.3
Motor vehicles and work vehicles	1,989.4	2,157.8	2,353.6	2,011.5
Heat management - heating systems	88,576.8	76,708	73,465.8	89,572.5
Management of electrical systems	10,028	17,199	15,245	15,268.1

Waste

Manutencoop carries out two types of activity as regards waste: intermediation and the management of its own waste. Intermediation refers to the service for the disposal of waste produced by customers included in some orders. In addition to this, the company also manages its own waste, which is assessed and categorised into hazardous or non-hazardous waste, and waste that can be recycled or which must be disposed of in landfills or incinerators.

The 2012 data show that Manutencoop acted as an agent for 1,812,052 kg of waste, 966,433.50 kg of which was recovered with the remaining quantity disposed of.

The intermediated waste includes 661,839 kg of hazardous waste (e.g. waste that must be collected or disposed of with special care in order to prevent against infections).

As regards its own waste, in 2012 Manutencoop produced and managed 2,429,465 kg of waste, 1,192,127.30 kg of which was recycled with the rest disposed of in landfills or incinerators. It produced a total of 145,572 kg of hazardous waste.

Emissions

In March 2013 an accredited body carried out the audit relating to the "Annual communication of greenhouse emissions pursuant to art. 15 of Directive 2003/97/EC and art. 16 of Legislative Decree 216/2006".

In 2012 the thermal plants managed by MFM, with a rated thermal input of over 20 MW, registered the CO2 emission values reported in the table below.

Plant name	Plant address	Quotas assigned	Quotas verified 2011	Quotas verified 2012
Ancona Hospital	Via Conca 1, Ancona			4,512
Scarmagno district thermal power station	Via Montalenghe 8, Scarmagno (Turin)	8,527	4,178	3,348
Irea thermoelectric power station	Via Jervis 77, Irea (Turin)	26,704	21,408	22,087
New Sant'Anna Hospital	Como		6,357	4039
Trelleborg	Tivoli (Rome)		19,025	19,296
Fiera di Rho thermal power station	Rho (Milan)		53	366
Sant'Orsola Hospital	Via Massarenti 9, Bologna			2,899

Internal consumption

Below is the data relating to electricity, natural gas and water consumption levels at Manutencoop's head office in Zola Predosa (Bologna), which also boasts the greatest number of employees (450 in 2012).

Electricity consumption			
	2010	2011	2012
kWh	1,632,822	1,598,392	1,458,200
Delta		-34,430	-140,192

As the figures show, a major reduction in electricity consumption is taking place due to the greater streamlining of the site's hours of operation.

Natural gas consumption			
	2010	2011	2012
Cubic metres	158,940	132,589	160,326
Delta		-26,351	27,737

As regards natural gas consumption, it is worth remembering that the 2011 figure, much lower than the figures for 2010 and 2012, was the result of a smaller number of active workstations at the Zola Predosa site, as well as more favourable climatic conditions.

Water consumption			
	2010	2011	2012
Cubic metres	5395	5801	5221
Delta		406	-580
Irrigation well			453

The water used mainly derives from an artesian well for which a meter was installed in 2012. It is then purified as it is very rich in iron and lime. Aqueduct water is only used very rarely.

Manutencoop also uses the irrigation system at night-time, switching it off on rainy days.

The innovations also include the trial use of subirrigation in place of the watering of the lawn using a pop-up sprinkler system. Subirrigation, i.e. the undersoil irrigation of the earth at -20 cm, guarantees notable savings and prevents the risk of dispersion caused by the wind and evapotranspiration typical of the pop-up system.

Another important project in which Manutencoop has invested - already mentioned in last year's Corporate Social Responsibility Report - is that regarding printing media services, also known as document management services. In 2011 a national tender was called for the management of all printing equipment (printers, faxes, photocopiers, multifunctional machines, plotters, scanners) installed in Group premises and worksites. After the contract award, the first installations began in November 2011, but the majority of the work was carried out in January 2012 with the replacement of all equipment in all of the Group companies.

Prior to the changeover there were 1158 printers, 20 different brands and 218 different models. In September 2012 there were 665 machines (-42%), just 6 brands (-70%) and 43 models (-80%). In terms of costs, savings of around 33% on the annual figure were made.

Below is a detailed summary by company:

Company	A3 devices*	A4 devices*	Fax machines	No. Toshiba devices supplied
Manutencoop Facility Management S.p.A.	144	119	124	387
Servizi Ospedalieri S.p.A.	41	123	40	204
Mpss S.p.a.	15	4	7	26
Telepost S.p.A.	6	11	2	19
Mia S.p.A.	8	1	3	12
Manutencoop Società Cooperativa	6	3	1	10
Smail S.p.A.	3	1	1	5
Maco S.p.A.	1	1	0	2
Total	224	263	178	665

* A3 devices print in both A3 and A4 format while A4 devices only print in A4 format.

As regards the A3 devices, the Toshiba Carbon Zero programme was implemented which made it possible to neutralise the CO2 emissions produced by printing. The below table illustrates the figures:

A3 devices	Offset printouts per device	Pages offset	Tonnes per machine	Tonnes of CO2 offset
224	250,000	56,000,000	1,422	318.53

INDUSTRIAL POLICIES

Customers

During the 2012 financial year the Group's commercial activities were focused on new domestic opportunities with the aim of consolidating its market position in the Facility Management and Laundering area.

The technical and planning expertise of the Manutencoop Facility Management Group proved to be highly successful in this current climate in which contracting authorities are subject to increasingly stringent economic restraints which, rather than showing signs of easing up in 2012, resulted in new and stronger market tensions.

The ability of the Group companies to reorganise and reinvent their range of solutions enables them to meet the needs of their public and private sector customers who are required to guarantee high quality services to their users while, at the same, keeping close tabs on their spending levels.

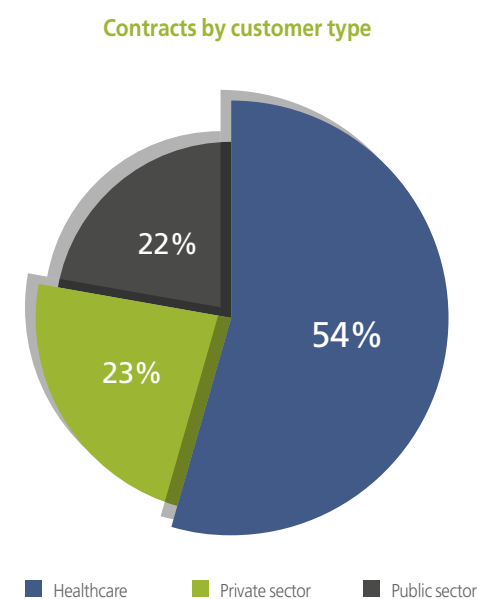
The control over public spending (the so-called "spending review") is gradually being shaped by a number of specific government measures and in any case has not yet demonstrated its full financial effects on the market: such timeframes are connected with national bureaucratic processes which often follow complex legal and regulatory procedures whose application is still not easy or fully understood.

This translates into a climate of uncertainty and a general downward forecast in the spending and investment commitments of public companies, which now appears irreversible. On the other hand, private sector customers began their spending review in previous financial years because of their greater degree of elasticity and ability to react to negative external factors.

As such, the commercial offer will have to meet this widespread requirement on the part of the customer to make their company processes more efficient, proposing new management solutions.

Newly-acquired orders and the renewal of pre-existing orders have brought around € 1,031 million of contracts to the Group's commercial portfolio, € 710 million of which are related to new contracts. Of these, € 164 million will contribute to the Group's economic results for the 2013 financial year.

The "Healthcare" customer portfolio was enriched, back in July 2012, with an important project financing contract worth € 272 million over several years. This concession entails the restructuring, enhancement and expansion of the "San Gerardo" hospital of Monza, as part of a 30-year contract for construction and management of related "non-core" services.



The contracts acquired in the private sector have increased substantially compared with the previous financial year both in terms of absolute value (€ 240 million compared with € 123 million in 2011) and as a percentage of the total (23% compared with 13% in 2011). The Group is developing a number of important commercial opportunities in this market connected with the reorganisation of major customers on a national basis, for whom the externalisation of Facility activities represents a valuable lever for reducing management costs.

Healthcare remains the Group's primary business area and is one of the sectors in which the public spending reduction and streamlining expectations outlined by Law no. 95/2012 on the so-called "spending review" are most concentrated. This Law requires that the Regions gradually reorganise their health services in order to improve their efficiency and efficacy while respecting the Italian National Health Service's underlying goal of protecting the health of the public. The aim of the Decree, in this specific sector, is to reduce current spending by € 8 billion in the 2012-2014 period.

Assessing the acquisition of orders in terms of ASA ("Area Strategica d'Affari" - Strategic Business Areas), Facility Management acquired contracts of a value of € 944 million, Laundering & Sterilisation (relating almost entirely to Servizi Ospedalieri S.p.A.) € 62 million and other residual activities € 25 million.

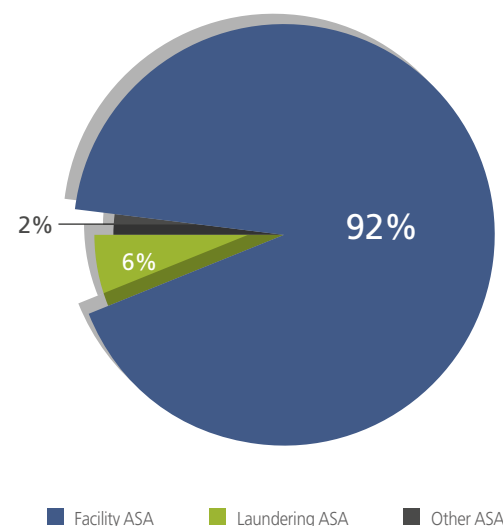
The average length of the orders grew compared with previous years, influenced by the sealing of new contracts for the management of project financing services or similar of a duration of over 20 years.

The table below illustrates the revenues according to customer type for the 2012 financial year compared with those for the previous year:

Revenues by customer type				
(in thousands of euro)	2012	% of total revenues	2011	% of total revenues
Public Authorities	282,859	26.37%	286,718	26.83%
Public Healthcare	386,673	36.05%	365,398	34.19%
Private-sector customers	403,097	37.58%	416,637	38.98%
Total	1,072,629	100%	1,068,753	100%

The breakdown of revenues by customer type shows how the proportion of customers represented by public authorities was largely the same as in 2011. The Group also consolidated its revenues in the Public Healthcare arena whose relative importance grew by around 1.9 percentage points. This was offset by the 1.4 percentage point fall in the relative importance of private sector customers.

Contracts by strategic business area (ASA)



Backlog at 31 December

	2012	2011
Overall	2,979	2,707

The Backlog is the amount of outstanding revenues relating to contracts in the portfolio on the specified date.

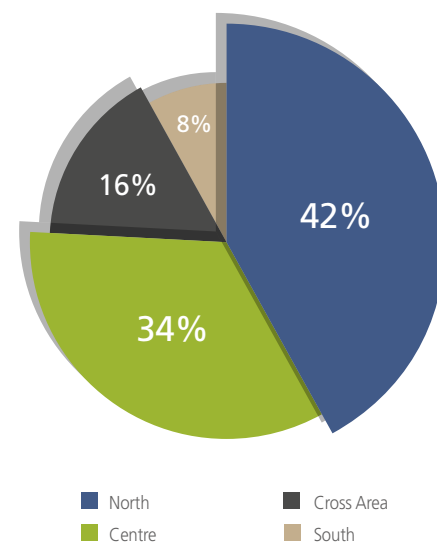
The final Backlog at 31 December 2012 increased compared with the initial figure (+10.0%) because of the positive commercial and development performance in 2012. This confirms the general stability of the Group in terms of already-secured multi-year revenues.

Manutencoop's main customers in the public sector are: Region of Emilia Romagna, Region of Abruzzo, Infrastrutture Lombarde S.p.A., Municipality of Bologna, Municipality of Modena, Municipality of Venice, Municipality of Milan, Municipality of Florence, Municipality of Pisa, Province of Milan, Province of Bologna, Province of Rimini, Province of Venice, Province of Foggia, Province of Livorno, Alma Mater Studiorum - University of Bologna, University of Milan, Tor Vergata University, University of Aquila, University of Florence, Ca Foscari University of Venice, Centro Servizi Amministrativi of Bologna, CONSIP, INPS, Enasarco.

Its main customers in the healthcare sector are: O.I.R.M. S.Anna Hospital of Turin, Sant'Anna Hospital of Como, Sant'Orsola Malpighi University Hospital of Bologna, Ospedali Riuniti Umberto I, G.M. Lancisi University Hospital of Ancona, Modena Hospital, Bologna LHA, Rizzoli Orthopaedic Institutes of Bologna, Modena University Hospital, LHA 5 of Pisa, San Camillo-Forlanini University Hospital of Rome, Viterbo LHA, LHA 6 of Livorno, LHA 9 of Grosseto, Ospedali Riuniti University Hospital of Foggia, Bressanone Hospital, Careggi University Hospital (Florence), LHA of Taranto, San Filippo Neri University Hospital of Rome, Garibaldi, S.Luigi-Currò, Ascoli-Tomaselli Hospitals of Catania, LHA 1 Massa Carrara, Istituti Ospitalieri Hospital of Verona, Civil Hospital of Legnano, Napoli 5 Hospital, "Spallanzani" National Institute for Infectious Diseases, APSS Trento.

Manutencoop's private sector customers include: Strioli Oro, Autogrill, Galbani, Leroy Merlin, Toys, United Colors of Benetton, Coop Adriatica, Carrefour, H&M, Grandi Stazioni S.p.A., RFI Gruppo Ferrovie dello Stato, Vodafone, 3, Wind, EDS Siemens, Olivetti, Dell, Canon, Edison, Alcatel Lucent, Hp, TNT, Banca di Italia, BNP Paribas, DeutscheBank, Unicredit Group, Monte dei Paschi di Siena, Toro Assicurazioni, Intesa San Paolo, Allianz, Gruppo Unipol, Volksbank, Pirelli, 3M, BMW, Brembo, Idromacchine, Tecnimont, GM Powertrain, Eni Saipem Trelleborg, Gruppo Sapio, Kerakoll, ReckittBenckiser, Sol, Erg, HeraSpa, Teatro alla Scala, UCI Cinemas, NHHoteles, AC Hotels, Anni Azzurri, San Siro, Alpitour.

Contracts by reference area



Suppliers

Purchases impact significantly on the company's margins, particularly given the general dimensions and the variety of the operating typologies.

Suppliers are classified according to "dynamic" statuses that are recalculated every night and therefore subject to change (suppliers must update the data on their questionnaire every time there are changes to the information declared).

The statuses currently managed are:

- › NEW SUPPLIERS: status that identifies suppliers registered on the Approved List that still have to be processed by the operator.
- › QUALIFIED SUPPLIERS: suppliers that have attained the requisite number of points in the questionnaire and which can therefore be used in the purchasing process.
- › AUTHORISED QUALIFIED SUPPLIERS: suppliers that have not attained the requisite number of points in the questionnaire but which are irreplaceable (e.g. parent company support).
- › POTENTIAL SUPPLIERS: suppliers that have not attained the requisite number of points and as such cannot be used.
- › SUSPENDED SUPPLIERS: suppliers with whom there have been serious problems during the working process.

Below are a few figures on the suppliers that were registered on the system between 2009 and 2012.

Supplier Status at 31.12	2009	2010	2011	2012
New	309	46	141	278
Potential	102	583	747	993
Authorised qualified	104	354	515	560
Qualified	1,308	2,715	3,216	3,967
Suspended	1	5	18	29
Total	1,824	3,703	4,637	5,827
Percentage qualified	76%	73%	69%	68%
Percentage potential	5.60%	15.70%	16.10%	17%
Authorised qualified	5.70%	21.50%	16%	10%

In the 4-year period in question the overall number of suppliers rose by 69% from 1,824 to 5,827. This is mainly due to the merger of Manutencoop with Altair, which significantly increased the Group's turnover. The number of qualified suppliers went from 76% in 2009 to 68% in 2012 while the number of suppliers that fail to meet the qualification criteria continues to rise: from 5.6% in 2009 to 17% in 2012.

Failure to meet the economic criteria is one of the main reasons preventing the qualification of suppliers, who in this case are given the status of "potential" supplier.

Relations with the cooperative movement

One of the key aspects of Manutencoop's industrial relations is without doubt its relationship with the Cooperative movement and its participation in its policy development process, which is particularly focused on labour policies, an important part of the company's identity.

In fact, Manutencoop is present in the management bodies of Legacoop, and the *Legacoop Bologna Management Committee* in particular, and on the *Generazioni Legacoop Emilia-Romagna* network made up of young cooperative managers, members, employees or associates registered with Legacoop Emilia Romagna that are under 40 years of age and already active within the company in roles of responsibility.

Manutencoop is also a member of *Impronta Etica* and *Agenzia Cooperare con Libera Terra – Agenzia per lo sviluppo cooperativo e la legalità* (Agency for cooperative development and legality).

The former is a non-profit association for the promotion and development of corporate social responsibility (CSR) and was founded in 2001 by a number of businesses from Emilia-Romagna already active in this area and keen to raise the business world's awareness of the issue of sustainable development and CSR. The goal of the association is to promote sustainable development by creating a network of businesses and organisations that regard their social commitment as a key part of their mission and actively pursue social responsibility practices.

Meanwhile, *Agenzia Cooperare con Libera Terra – Agenzia per lo sviluppo cooperativo e la legalità* was founded as a non-profit association in May 2006 by a group of important cooperative businesses, most of which members of Legacoop Bologna. Its mission is to consolidate and support the business development of the cooperatives that manage confiscated mafia assets and land through knowledge transfer. Thanks to the associate cooperatives that offer their professional expertise, the Agency is therefore a "bank of competencies" at the disposal of the new cooperatives that operate in Southern Italy. Cooperatives with a high social value that support the "Libera Terra" project and "Libera" association headed by Don Luigi Ciotti.

Finally, since 2012 Manutencoop has been part of the *Club of Modena Businesses for Corporate Social Responsibility*. Bringing together around 60 businesses, the Club is a space for sharing and exchanging knowledge, expertise and experiences on CSR ideas and projects. More specifically, the Club's activities comprise:

- › organising themed workshops on individual areas of CSR to examine CSR problems, comparing the ideas and possible solutions of businesses of various sizes from various sectors;
- › analysing and assessing existing CSR and local experiences;
- › defining new CSR projects in individual businesses, in business partnerships, for various local stakeholders;
- › proposing periodic focus groups and in-depth seminars.



INCLUSIVE GROWTH

18,586

Employees

64%

Female employees

95.5%

Employees with permanent contracts

18.1%

Employees born overseas

19

Regions of Italy represented

LABOUR

Labour is the lynchpin and objective of Manutencoop, not just because it is a production and labour cooperative but because one of its mission goals is to guarantee job security and promote new job and social engagement opportunities.

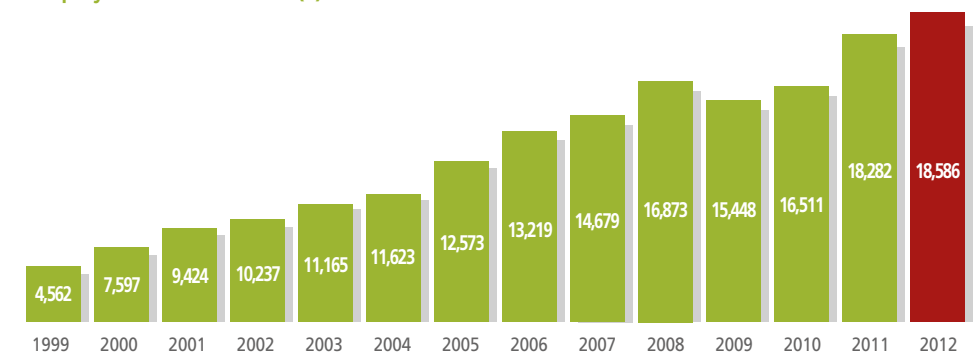
As mentioned in the previous sections, compared with other businesses Manutencoop adopts fairly alternative labour policies. On one hand, it boasts a significant level of internalisation: in fact, it is the only Facility Management company that carries out a large part of the production process using its own personnel, not only for cleaning and maintenance but also for its specialised services.

On the other, it regards its workers as its primary resource. As such, unlike some businesses in the industry which base their competitive edge on the cost of labour and therefore paying their workers less, Manutencoop seeks to maximise the skills of its workforce and lay the emphasis on people.

Employees

At 31 December 2012, 18,586 people worked for the Manutencoop Group, around 1.7% more compared with the previous year.

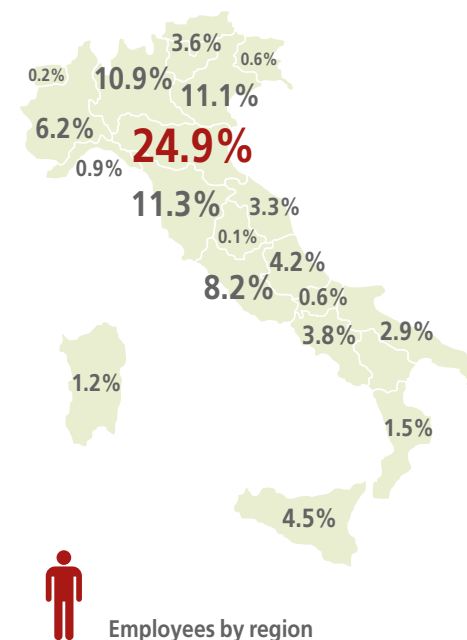
Manutencoop Group employee trend 1999-2012 (*)



(*) Aggregate figure: includes all employees of the Group companies regardless of the shareholding size, including employees of Roma MS at 31 December in the year of reference.

Below is a breakdown of the Manutencoop Group's employees (Manutencoop Società Cooperativa, Manutencoop Facility Management, Servizi Ospedalieri, MPSS, Smail, Mia, Maco, Energyproject, Telepost, Servizi Brindisi, Gruppo Sicura) in 2012. Aside from these workers, it is also necessary to take into consideration the employees of Roma Multiservizi - a total of 3,839 people at 31 December 2012.

		MFM Group	Coop	Total	%
CONTRACT TYPE	Permanent contract	14,037	40	14,077	95.5
	Fixed-term contract	667	3	670	4.5
Total		14,704	43	14,747	100.0
GENDER	F	9,402	30	9,432	64.0
	M	5,302	13	5,315	36.0
Total		14,704	43	14,747	100.0
PLACE OF BIRTH	Italy	12,034	40	12,074	81.9
	Overseas	2,670	3	2,673	18.1
Total		14,704	43	14,747	100.0
AGE	18-25 years	269	1	270	1.8
	26-35 years	1,932	6	1,938	13.1
	36-45 years	4,721	20	4,741	32.1
	46-60 years	7,218	12	7,230	49.0
	Over 60	564	4	568	3.9
Total		14,704	43	14,747	100.0
ROLE	BLUE-COLLAR WORKERS	12,995	2	12,997	88.1
	<i>Of which women</i>	8,740	1	8,741	67.3
	<i>Of which men</i>	4,255	1	4,256	32.7
	WHITE-COLLAR WORKERS	1,644	35	1,679	11.4
	<i>Of which women</i>	655	28	683	40.7
	<i>Of which men</i>	989	7	996	59.3
	EXECUTIVES	65	6	71	0.5
<i>Of which women</i>	7	1	8	11.3	
<i>Of which men</i>	58	5	63	88.7	
Total		14,704	43	14,747	100.0
HOURS OF WORK	Full time	5,207	31	5,238	35.5
	Less than 20 hours	2,317	11	2,328	15.8
	20 hours	1,589	1	1,590	10.8
	Over 20 hours	5,591		5,591	37.9
Total		14,704	43	14,747	100.0
SENIORITY	Less than 1 year	1,977	3	1,980	13.4
	1-3 years	4,917	7	4,924	33.4
	4-5 years	2,918	7	2,925	19.8
	6-10 years	2,492	15	2,507	17.0
	11-16 years	1,748	4	1,752	11.9
	Over 16 years	652	7	659	4.5
Total		14,704	43	14,747	100.0



		MFM Group	Coop	Total	%
WORK REGION	Emilia Romagna	3,635	35	3,670	24.9
	Tuscany	1,668		1,668	11.3
	Veneto	1,631	1	1,632	11.1
	Lombardy	1,606	3	1,609	10.9
	Lazio	1,215		1,215	8.2
	Piedmont	920		920	6.2
	Sicily	659		659	4.5
	Abruzzo	619		619	4.2
	Campania	554		554	3.8
	Trentino Alto Adige	521	4	525	3.6
	Marche	491		491	3.3
	Puglia	430		430	2.9
	Calabria	222		222	1.5
	Sardinia	180		180	1.2
Liguria	130		130	0.9	
Molise	95		95	0.6	
Friuli Venezia Giulia	85		85	0.6	
Valle d'Aosta	30		30	0.2	
Umbria	13		13	0.1	
Total		14,704	43	14,747	100.0
NATIONAL COLLECTIVE LABOUR AGREEMENT	Cleaning/Multi-Service	12,072	20	12,092	82.0
	Industrial Laundries	1,133		1,133	7.7
	Metalworkers Coop	519	15	534	3.6
	Telecoms	462		462	3.1
	Trade and Services	199		199	1.3
	Agriculture	84	1	85	0.6
	Cooperative executives	57	6	63	0.4
	Construction	52		52	0.4
	FF.SS. contracts	45		45	0.3
	Metalworkers Industry	31	1	32	0.2
Aris - Care homes	24		24	0.2	
Rubber plastic	18		18	0.1	
Executives industry	8		8	0.1	
Total		14,704	43	14,747	100.0

Compared with the previous year, there was an increase in the total number of employees at 31 December 2012 as well as an increase in the average annual staff size.

This variation was partially due to the internalisation process and partially due to the arrival of employees from the companies acquired during the financial year.

The overall cost of the Group's employees also increased due to the arrival of the new employees and the additional organisational efforts of some Group companies which entailed unemployment benefit, temporary redundancy and staff leaving incentive costs.

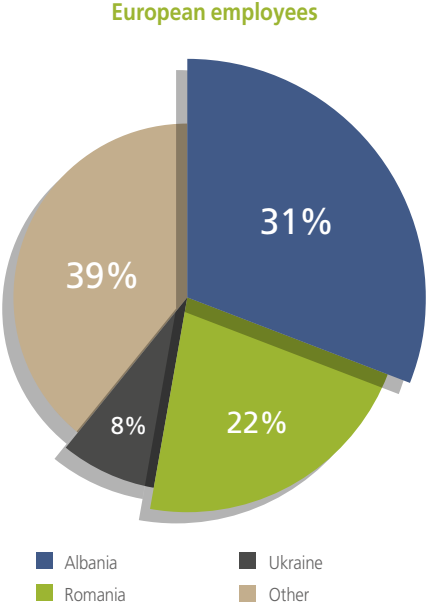
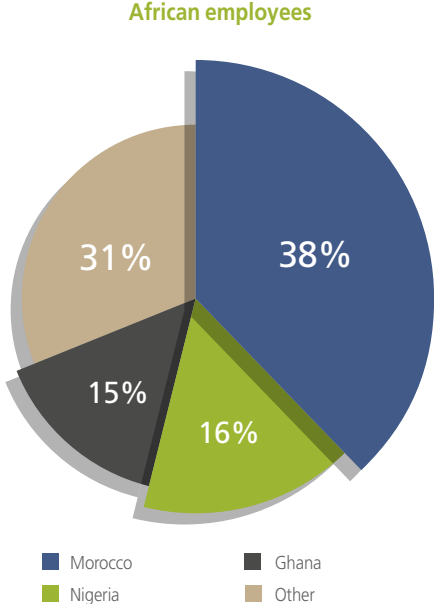
The increase in the cost of Group personnel must, however, be balanced against the decrease in the cost of services, factors that indicate that employees were prioritised over third-party suppliers when it came to supplying services.

The change to the mix of production factors was implemented to improve productivity and is influenced by the multiple activities carried out.

Foreign employees

For a number of years Manutencoop has stood out for the large number of foreign employees within its workforce: today it counts 2673 foreign workers from 91 different countries who represent 18.1% of the Group's workforce.

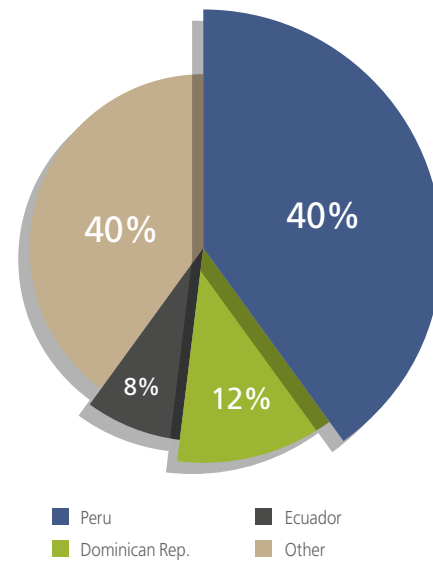
Continent	Country	MFM Group	Coop	Group Total
EUROPE	Albania	284		284
	Romania	201		201
	Ukraine	76		76
	Poland	57		57
	Moldova	52		52
	Switzerland	43	2	45
	Yugoslavia	39		39
	Germany	30		30
	France	28		28
	Serbia	26		26
	Russian Federation	13		13
	Bulgaria	12		12
	Belgium	11		11
	Macedonia	10		10
	UK	7		7
	Spain	7		7
	Croatia	6		6
	Kosovo	4		4
	Portugal	4		4
	Bosnia Herzegovina	3		3
	Czech Republic	2		2
	Hungary	2		2
	Belarus	1		1
	Estonia	1		1
	Greece	1		1
	Latvia	1		1



Continent	Country	MFM Group	Coop	Group Total
AFRICA	Morocco	365		365
	Ghana	149		149
	Nigeria	141		141
	Egypt	57		57
	Tunisia	52		52
	Ethiopia	37		37
	Senegal	33		33
	Ivory Coast	27		27
	Eritrea	23		23
	Algeria	12		12
	Cape Verde	11		11
	Togo	6		6
	Angola	5		5
	Cameroon	5		5
	Somalia	5		5
	Benin	4		4
	Congo	4		4
	Mauritius	4		4
	Guinea	3		3
	Kenya	3		3
	Uganda	3		3
	Libya	2		2
	Niger	2		2
	Seychelles	2		2
	Tanzania	2		2
	Guinea Bissau	1		1
	Mali	1		1
	Sudan	1		1

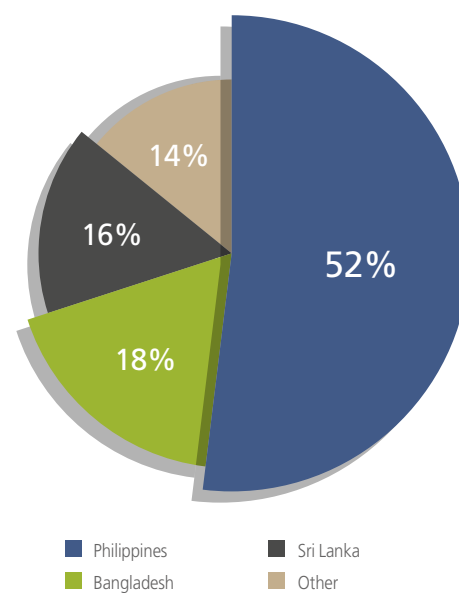
Continent	Country	MFM Group	Coop	Group Total
AMERICAS	Peru	131		131
	Ecuador	37		37
	Dominican Republic	24		24
	Argentina	22		22
	Brazil	22		22
	Colombia	18		18
	Cuba	17		17
	Venezuela	15		15
	Chile	9	1	10
	Bolivia	7		7
	El Salvador	6		6
	Canada	2		2
	Honduras	2		2
	Martinique	2		2
	Nicaragua	2		2
	US	2		2
	Uruguay	2		2
Guatemala	1		1	
Haiti	1		1	

North/South American employees



Continent	Country	MFM Group	Coop	Group Total
ASIA	Philippines	239		239
	Bangladesh	85		85
	Sri Lanka	76		76
	Pakistan	20		20
	India	12		12
	China	10		10
	Thailand	7		7
	Afghanistan	3		3
	Iran	2		2
	Turkey	2		2
	Cambodia	1		1
	Georgia	1		1
	Hong Kong	1		1
	Iraq	1		1
	Israel	1		1
	Kazakhstan	1		1
	Lebanon	1		1

Asian employees



Continent	Country	MFM Group	Coop	Group Total
OCEANIA	Australia	4		4

The most represented nations are Morocco with 365 workers (13.7%), Albania with 284 (10.6%), Philippines 239 (8.9%), Romania 201 (7.5%) and Ghana 149 (5.6%).

Maternity leave

There is a large female presence at Manutencoop: 64% of employees are women. The majority of female employees are blue collar workers (92.7%), 7.2% are white collar workers and 0.1% are executives.

In 2012, 345 female workers at the Manutencoop Facility Management Group, equal to 4.5% of the Group staff, took mandatory maternity leave.

Role	Country of origin	No. women	Average age	Number employees that took mandatory maternity leave	Average age of employees that took mandatory maternity leave	% of women that took maternity leave
Executives	Italy	7	49.57			
	Overseas					
Total executives		7	49.57			
White-collar workers	Italy	644	39.72	33	35.59	5.1%
	Overseas	11	37.15	2	34.70	18.2%
Total white-collar workers		655	41.41	35	35.54	5.3%
Blue-collar workers	Italy	6,790	47.06	152	34.97	2.2%
	Overseas	1,950	42.68	158	34.20	8.1%
Total blue-collar workers		8,740	46.08	310	34.57	3.5%
Total		9,402	45.76	345	34.67	3.7%

Management styles

Although it takes the form of business group, Manutencoop is in essence a cooperative. Maintaining the cooperative tradition in a large business is a tricky operation that requires constant attention. Much of the success of this reconciliation is down to the executives who must have at least two qualities: a direct managerial approach and the special ability to take an interest in people's lives and guarantee their involvement.

It is for this reason that, as seen in the "Horizon-Goals-Areas" graphic, one of the key action areas is "management styles", which is used to indicate the factors, levers, the ability to listen and the ability to mobilise that those in positions of responsibility at Manutencoop must possess.

The graphic of reference is the following:

Management styles	
Phenomena	Indicators
Information, involvement	Staff meetings (number) Technical committees (no. and reports) Expansion of participation base to company results Creation of Group scenarios
Promotion of responsibility	Level of coverage of technical-professional expertise Ability to develop group expertise Age/qualification matrix Gender/qualification matrix
Consistency	Acoustic Climate-altering Electromagnetic

If, as regards “styles”, the goal is the “development of the cooperative executive”, on one hand it will be a case of approving behaviour and on the other that of identifying, describing and assessing the processes designed to extend and spread responsibility, the first step in identifying merit.

Until now the goal has mainly been that of identifying the areas of investigation, as outlined in the above graphic. At the present time, the specific information is still present in separate sections: some is in the following sections (e.g. employee policies) and some is more widely contained in the descriptions of general processes (e.g. the Board of Directors’ training initiatives and, above all, the “Metrics Project”, already mentioned on several occasions).

Management styles are influenced, first and foremost, by two highly critical factors:

- › market and economic conditions;
- › the multiple conditions that lead to the evolution of business culture.

Manutencoop therefore finds itself at a crossroads: on one hand there is the conviction that adaptation and evolution are necessary, on the other there is the difficulty in quickly abandoning criteria and practices adopted until now that have produced undeniably positive results.

As such, all the company can do is to try and identify the aspects that can indicate this evolution, reiterating that such complex processes are difficult to summarise in a few pieces of information of a quantitative nature. Here then are the elements, for now outlined in general terms, that indicate change and that must be made explicit so they can be monitored more accurately in the future:

- › the “Metrics project”, the cornerstone of the evolution, which will have to possess a stronger capacity of involvement in the future;

- › Board of Directors’ training, which has seen the top executives address political and social issues and questions;
- › the space taken up in this report by environmental issues, which indicates a desire and an ability to express and order expertise and operating qualities which are not strictly technical in nature or business-related but also highly social in nature;
- › the evolution of internal communications, which has focused and will increasingly focus on highlighting the mutualistic problem relating to business issues;
- › the introduction of the “Calculation and distribution of value added” issue to the issues discussed in the “Metrics Group”;
- › the notion of adequately examining the idea of a Code of Ethics in compliance with CSR, because it will also be possible to alter the management style through the review of codes of conduct and relations;
- › the development of training and cooperative training;
- › the qualification of control instruments and the subsequent communication of their results, making it easier to understand decisions and contributing to the decision-making process.

This list is not only designed to summarise the ongoing processes but also to provide a guideline for the additional verification of their evolution, starting from the next corporate social responsibility report.

In any case, please refer to the next chapter (“employee policies”), which deals in depth with issues closely connected to the wider theme of the “change of management style”.

Employee policies

Multiple activities relating to personnel management and internal organisation were carried out in 2012 with the single goal of improving quality and efficiency.

There were two guidelines in particular:

1. raising awareness among managers of the need to adopt management practices centred on the development of their staff;
2. making the management process more efficient through the streamlining of operating assets and the reduction of errors and formalisation times.

The general approach adopted was based on promoting the development of a management culture centred on the enhancement of the human capital in the company, focusing on three aspects in particular:

- › acting responsibly;
- › involvement, commitment and dedication;
- › merit.

More specifically, 5 management projects were launched in 2012, many of which will also run into 2013:

1. performance assessment;
2. remuneration policies;
3. incentive system;
4. training CV;
5. new hire requests.

All projects involve the development of a technology platform for the management of information.

In fact, special sections dedicated to the management of the processes have been created on the company portal and each manager can work independently.

Performance assessment is now active for all MFM employees and the goal for 2014 is to expand it to all Group companies, making the process increasingly effective. In the dedicated area of the portal each manager will be able to view their staff divided according to organisational structure, fill out the assessment form, share their assessments with their staff and collect feedback. The Human Resources Department analyses strengths and areas that can be improved and proposes development plans.

The strengths that clearly emerged from the project in 2012 included the promotion of technical and professional expertise and a focus on the customer and on results.

Meanwhile, the most critical areas were the concept of leadership and the management of personnel, particularly white collar employees.

The remuneration policies are also directed at all MFM employees and the idea is to extend them to all Group companies in 2014. Again, each manager is able to view their staff divided according to organisational structure, identify those employees for whom remuneration measures should be proposed and fill out the remuneration proposal. The Human Resources Department proposes to provide the management with support tools for the correct formulation of proposals and, in addition, gathers and verifies the proposals presented, later managing the implementation of the measures. The 2012 objectives and budget goals were met.

The incentive system is aimed at around 160 employees, mainly middle managers and executives, and closely interfaces with management control. More specifically, each manager is able to view their staff divided according to organisational structure, assign individual objectives to employees, complete the objective accounting process and insert the evaluation. The Human Resources Department oversees the correct assignment of objectives and the closure of the profiles while management control outlines the budget goals and simulates, during the year, the possible accounting of these goals.

This project has two goals: on one hand to make the process of recording and sharing individual objectives more efficient and, on the other, to improve the quality of the estimates relating to provisions.

Training CV is a project aimed at all MFM employees that involves the Human Resources Department, the Security service and the managers of the operating units. It aims to define training paths for each employee in relation to their role (Security, Technical Professional, Managerial) and to create an updated training CV for each worker.

Each manager puts together the training proposals for their staff, sends the requests to the Human Resources Department for their management and identifies which staff have to participate in the courses organised by Human Resources. Human Resources checks the requests and organises activities while the Security service monitors the status of employees that have not done the mandatory training.

The new hire requests project is aimed at all MFM managers and aims to structure the new hire request process, making it possible to carry out accurate monitoring through the checking of volumes and the introduction of new figures in the departments or in individual orders.

Each manager fills out and sends the new hire request to their Director for approval. Once this is obtained, Human Resources checks the request and begins the recruitment process. Human Resources is obviously responsible for overseeing the entire process.

Finally, a word about the Hygiene Project, which is both an innovation and a training initiative that will be further developed in 2013. The project, which as its name suggests regards cleaning service contracts, has multiple goals:

- › to develop suitable technical/managerial expertise to guarantee the correct monitoring of the orders;
- › to make the service management organisational model more efficient;
- › to enhance the expertise of internal staff allocated to these services with a process of growth that is integrated with the operating activities;
- › to spread and increase the use of new activity management tools.

The project is structured into four main phases:

- › definition of profiles and responsibilities;
- › development of training plan;
- › personnel identification and assessment;
- › training activities.

As regards the first aspect, the manager of the service, the operating group managers (OGM), the project managers and the technical secretary have been identified.

As regards the content of the training plan, four macro areas have been defined (cf. graphic on the following page) with specific content, and the teaching will mainly be done internally.

After this, 140 employees were identified and involved and their technical and professional skills were assessed together with the service manager. The gaps in their knowledge were analysed and profiles with growth potential were identified.

<p>Commercial Area</p> <ul style="list-style-type: none"> • Management of customer relations and negotiation • Cleaning services market (supply and demand) • Sector legislation • Distinctive elements of service contract 	<p>Economic-Management Area</p> <ul style="list-style-type: none"> • Features of cleaning services • Order analysis techniques • Order budget and statement of income (revenues, costs, margins, invoicing) • Management of suppliers • Production yields • Contract management
<p>Personnel Area</p> <ul style="list-style-type: none"> • CCNLs of reference • Personnel management levers • Manager duties 	<p>Production-Technical Area</p> <ul style="list-style-type: none"> • Types and operating features of cleaning services (operating methods) • Knowledge of company procedures • Quality of the service and related environmental impact • Safety of worksites and risk management • New technologies to support the service • Result and process control systems

All 140 employees participated in the 2013 course, following three different training paths according to their competencies and role: for the Hygiene Service manager the training was focused on managerial skills and the “work plan” model, for the OGM’s and the project managers the emphasis was on technical and operating skills, and for the technical secretary the focus was technical expertise.

Safety

Recorded injuries are listed chronologically in the Manutencoop Facility Management S.p.A. “Injury Log”.

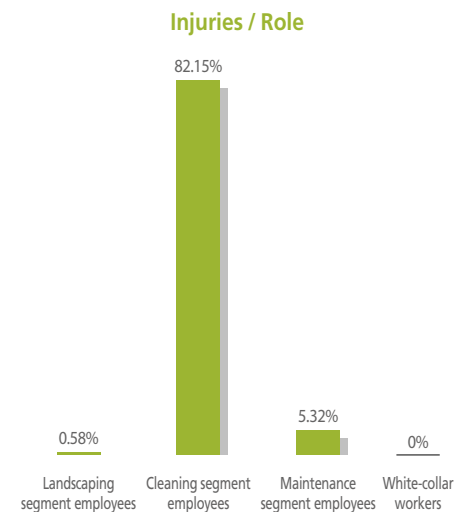
Injuries are assessed using the following indices:

- › **accident rate (AR)**, the percentage of workers which, in relation to those exposed to risk, have suffered injuries
- › **accident frequency (AF)** which measures injury trends by calculating the number of injuries reported per 1,000,000 hours worked
- › **gravity index (GI)** which measures the gravity of injuries by calculating the number of working days lost per 1000 hours worked

INDICES

$$AR = \frac{\text{no. injuries} \times 100}{\text{no. employees}}$$

$$AF = \frac{\text{no. injuries} \times 1,000,000}{\text{no. hours worked}}$$

$$GI = \frac{\text{no. days of injury} \times 1,000}{\text{no. hours worked}}$$


Year	No. Inj.	No. Emp.	Hrs work	Days Absence	Indices		
					Accident	Frequency	Gravity
2010	1,113	12,373	13,853,190	25,544	90.0	80.34	1.84
2011	1,149	13,114	14,314,630	27,769	87.6	80.27	1.94
2012	1,373	13,554	14,730,878	28,627	101.29	93.21	1.94

In 2012 no workplace accidents took place that resulted in serious or extremely serious injuries to personnel and for which the company was officially deemed to be responsible. 37 cases of occupational disease were filed, 34 of which in the Hygiene sector, 2 in Integrated Systems, and 1 relating to a white-collar worker.

There were no deaths in the workplace.

In terms of workplace injuries, there were 1373 incidents with 28,627 days of absence out of a total of 14,730,878.24 working hours.

To get a better idea of the injury phenomenon, below is a geographical analysis of the incidents leading to injury.

Geographical area	Accident	Frequency	Gravity
Piedmont, Liguria, Valle D’Aosta	9.01	251.47	5.94
Lombardy	7.12	59.58	1.30
Triveneto	9.01	90.10	1.90
Emilia Romagna	14.73	131.38	2.39
Tuscany, Marche, Umbria	10.40	103.81	2.18
Lazio, Campania, Sardinia	6.79	57.57	1.46
Sicily, Calabria	8.37	155.68	2.24
Puglia, Abruzzo, Molise	9.29	92.03	2.63
Sicily, Calabria	22.69	218.91	3.93

The figures point to an increase in the “rate” and “frequency” of injuries, while the “gravity” parameter remains stable. It is important to remember, however, that the number of hours worked and the number of days lost due to injury are confirmed figures while the number of injuries is excessive as it is extrapolated from a Human Resources management system not specifically set up to produce injury statistics. As such, while the two figures relating to rate and frequency are slightly skewed upwards, the gravity index is accurate as it is based on real data. In 2012 the gravity of injuries remained consistent with the 2011 figure, i.e. 15.52 hours lost per injury per 1000 hours worked.

As for health surveillance, this is carried out, in accordance with the company doctor, in all sectors deemed necessary in the Risk Assessment Document.

During this process, whether planned by the company doctor or requested by employees, the following assessments were made:

- › UNFIT - 2 cases
- › FIT WITH LIMITATIONS - 1,205 cases

The employees deemed as “unfit” to work are still in their positions as the ruling of the Medical Commission is still pending.

Those deemed as “fit with limitations” must be assessed by the department managers.

Industrial relations

In 2012 the union negotiations for the convergence of the Rubber Plastic Italian national collective labour agreement in the Cleaning/Multi-Service national collective labour agreement, the most representative agreement, was practically concluded. The convergence of the Metalworkers’ Cooperative national collective labour agreement in the Multi-Services national collective labour agreement is still at the union negotiation stage.

UNIONS REPRESENTED		
	Total	%
CGIL	3,523	54.44%
CISL	1,405	21.71%
UIL	848	13.10%
Independent unions	436	6.74%
UGL	259	4.00%
Total	6,471	100.00%

The percentage of employees that are members of the union, equal to 53.2% of the average annual workforce, fell slightly (0.2%) in 2012 compared with the previous year. The number of union delegates fell from 297 in 2011 to 287 in 2012. Finally, as regards the distribution of members between the various unions there was a fall in CGIL (Italian General Confederation of Labour) and UIL (Italian Labour Union) members and a rise in CISL (Italian Confederation of Trade Unions), independent union and UGL (General Labour Union) memberships.

UNION ACCESS	
Union members	6,471
MFM average workforce	12,172
Union delegates	287
Leave for Union duties (hrs)	14,758
Assemblies (hrs)	4,294
Strikes (hrs)	4,819

	% employees with union membership	% employees not union members
2010	52.3	47.7
2011	53.4	46.6
2012	53.2	46.8

Disciplinary proceedings and measures

In 2012, 356 employees were subject to disciplinary proceedings and measures. The reasons for the disciplinary proceedings are summarised in the table below:

Type of disciplinary proceeding	Frequency
Unjustified absence	151
Negligent work	145
Failure to observe safety regulations	46
Abandoning the workplace	30
Disrespectful behaviour	54
Damage	3
Lateness	25
Unauthorised person in worksite	1
Unavailable for sick leave house-call	4
Smoking in workplace	10
Interruption of work	14
Failure to provide notice	3
Fighting	1
Drunkenness	2
Misappropriation	2
Failure to observe correct working hours	3
Abandonment of area	2

The disciplinary measures brought can be summarised thus:

Type of disciplinary measure	Frequency
1-hour fine	82
2-hour fine	68
3-hour fine	58
1-day suspension	136
2-day suspension	60
3-day suspension	47
Termination with notice	1
Termination without notice	44

FIGHT AGAINST POVERTY

In general, the company is geared towards generating wealth and, in this regard, contributes to combating poverty.

According to the EU, the “fight against poverty” is directly related to the method of organising and providing welfare. Because of the nature of the company, this aspect is less clear-cut at Manutencoop but that is not to say that it is absent: poverty is combated, first and foremost, by employing workers with very little professional expertise but also through a series of initiatives that take account of the human and family situations of these workers and the social contexts (sometimes in dire need of support) in which Manutencoop operates.

In fact, for Manutencoop the concept of mutuality is applicable to various different fields. While mutuality in the strictest sense refers to the reciprocal relationship between members and between them and the cooperative, there is also a mutual relationship between the cooperative as a whole and the social spheres in which it operates.

The underlying idea is the business’s sense of belonging to its social contexts, with the generation of relationships that invest both parties with responsibility: the company on one side and the local community on the other.

We are therefore at the heart of corporate social responsibility policies in which relations with the community represent a crucial aspect that is as important as the definition of the company’s key strategies.

Internal social policies

As regards activities for members and workers, many initiatives were carried out in 2012, the most important of which was without doubt that in support of the employees directly affected by the Emilia earthquakes of 20 and 29 May 2012.

Luckily, none of the 200-plus employees of the Group companies lost their lives but some did suffer serious damages as a result of the disaster. In order to rapidly assist its colleagues, Manutencoop set up a solidarity fund organised and coordinated by Manutencoop Società Cooperativa for all Group companies (MFM, MPSS, SO, Smail, Mia, Maco, Telepost, Gruppo Sicura, Servizi Brindisi), which remained open until 30 September 2012.

Thanks to the contributions and generosity of Manutencoop’s employees, the Fund collected € 91,630, a sum matched by the companies for an overall total of € 183,260. In order to establish how to distribute the funds, a Committee made up of Manutencoop Società Cooperativa members that operate in the community and the Head of the Communication and Corporate Social Responsibility Unit, Luca Stanzani, was set up.

The first step was a survey to ascertain the material conditions of potential recipients of the funds.

Three aspects were examined: physical injuries, damage to primary residences, and damage to assets.

Fortunately there were no instances of serious or permanent physical injuries to Group employees caused by the earthquakes.

For property damage to primary residences, the AEDES habitability classification issued by the Protezione Civile (Civil Protection) was used as a guide.

This survey was carried out using a self-declaration form that was issued to every employee living in one of the municipalities affected by the earthquakes between 30 June 2012 and 30 January 2013. Declarations submitted after this date were not considered nor were declarations lacking the requisite documentation.

A regulation was subsequently drafted that defined who had the right to access the Fund, and to what degree, with the creation of three bands: lower, middle, upper.

The following criteria were used:

- › **lower band:** this included all Manutencoop Group employees living in one of the municipalities affected by the earthquakes that suffered damage to their primary residence with AEDES B classification. The compensation for this band was € 3,816.
- › **middle band:** this included all Manutencoop Group employees living in one of the municipalities affected by the earthquakes that suffered damage to their primary residence with AEDES C classification. The compensation for this band was € 4,516.
- › **upper band:** this included all Manutencoop Group employees living in one of the municipalities affected by the earthquakes that suffered damage to their primary residence with AEDES E and F classification. The compensation for this band was € 11,000.

The Group employees were therefore categorised as follows: 7 employees were classified in the lower band, 3 in the middle band and 13 in the upper band.

The below table summarises these figures.

Band	Number employees	Compensation per person	Total
Lower	7	3,816	26,712
Middle	3	4,516	13,548
Upper	13	11,000	143,000
Total	23		183,260

As well as the extraordinary activities, such as the support for colleagues affected by the earthquake, Manutencoop also continued to pursue its ordinary activities.

In chronological order, the year began with the Christmas gifts for employees.

In fact, at Christmas Manutencoop sent a DAY Cadeau gift voucher of 30 euro, to be spent by 30 June 2013 at participating stores or to be donated to charitable projects, to all employees at the company on 31 October 2012.

Vouchers were given to a total of 14,268 workers.

On 8 June the traditional Manutencoop football tournament was held at the Stadio Dall'Ara in Bologna. Ten teams representing the different companies and company sectors battled it out for the title: Bononia, the Shared Services team, Longobarda (the team of colleagues from Lombardy), Real Verde, MPSS, All star Igiene, Energia Emilia, Compagni di Merende (our colleagues from Tuscany), Juvecoop Torino (our colleagues from Piedmont), Promozione e Sviluppo Pubblico Team and Smail.

The knock-out phase saw Real Verde and Compagni di Merende make it to the final with Real Verde securing a 2-0 win and confirming themselves as the strongest and most feared team in the tournament.

After the success of the 2011 edition, the women's 5-a-side football tournament returned in 2012 with 4 teams entering: Shared Services, Human Resources, MPSS and Hygiene. Human Resources were victorious, beating MPSS in the final.

Just like every year, members and employees made a valuable voluntary contribution, guaranteeing snacks and dinner for everyone.

On Saturday 14 July the traditional Festa delle Genti - the People's Party - was held in Bologna, again forming part of the "Molteplicità incontri, dibattiti e spettacoli sulla città che cambia" initiative, a programme of events promoted by Legacoop Bologna together with Manutencoop and other Bolognese cooperatives which was held for the third time in 2012. The Party began with a dinner at Palazzo Re Enzo, the most prestigious historic palazzo in Bologna, and was made up of typical dishes from all 5 continents. At the end of the dinner actors and musicians from the Compagnia del Teatro dell'Argine accompanied all of the guests to the nearby Piazza del Baraccano, dancing and singing all the way, to enjoy a concert by the "Jacarè", a Bolognese group with an original singer-songwriter approach in which jazz and Brazilian music is combined in eclectic and elegant arrangements to create a new form of Italian-Portuguese music.

On 6 July Manutencoop also took part in the "Impresa Europa. Cittadinanza, lavoro e comunità nell'Europa delle migrazioni" conference organised by Legacoop Bologna as part of the "Molteplicità" initiative. The round table, which involved the participation of Manutencoop Chairman Claudio Levorato, Mayor of Bologna Virginio Merola, Councillor of the Municipality of Toulouse Jean-Paul Makengo, Director of the European and International Forum on Immigration Research Ferruccio Pastore, Deputy Chairman of Nomisma Luciano Sita and Chairman of Legacoop Bologna Giampiero Calzolari, focused on the contribution that businesses, together with the authorities, can make to help those foreign nationals that undoubtedly represent a key component for the development of the economy and the sustainability of our welfare system obtain Italian citizenship.

Following the positive experiences of 2010 and 2011, in September Manutencoop announced that, for the third time, it would be allocating a total of 290 study grants to particularly deserving children of Group employees.



The grants were divided into two types:

- › 250 study grants of a value of 400 euro gross each for secondary school children (those that attend day school, state school, officially or legally recognised institutes that award valid qualifications recognised by universities).
- › 40 study grants of a value of 1,000 euro gross each for students of public or private legally-recognised universities that award legally-recognised degrees.

In order to participate, secondary school pupils had to have passed the 2011/2012 school year with an average grade of over 7, excluding grades for physical education, religion and behaviour. Students in their final year, meanwhile, had to have passed their graduation exam with a grade of over 70/100.

University students had to be in the middle of their course and had to have passed at least 2/3 of the exams on their individual study course and attained average grades of over 26/30 in all individual subjects studied.

A total of 361 applications were received, 291 for secondary school and 70 for university. Secondary school students were awarded 248 grants and 40 grants went to university students for an overall contribution on the part of Manutencoop of 139,200 euro. 34% of award winners had also won a study grant in previous years while 19% won their third grant in a row.

The award of the study grants, in February-March 2013, involved the Group's various sites across Italy: in addition to Bologna, Imola, Pisa (for Liguria and Tuscany), Modena, Ferrara (for Servizi Ospedalieri), Mestre (for the entire Triveneto), Milan, L'Aquila, Teramo and Rome (for the rest of Central and Southern Italy). The symbolic cheques were variously presented by Chairman Claudio Levorato, Deputy Chairman of Manutencoop Società Cooperativa Giuliano Di Bernardo, Director of Personnel and Organisation Guido Dealessi, and Head of the Communication and Corporate Social Responsibility Unit, Luca Stanzani.

Study Grants	2010	2011	2012
Announced	280	290	290
for secondary school	250	250	250
for university	30	40	40
Applications received	227	319	361
for secondary school	178	257	291
for university	49	62	70
Awarded	165	245	288
for secondary school	135	205	248
for university	30	40	40
Total contribution	84,000	122,000	139,200
for secondary school	54,000	82,000	99,200
for university	30,000	40,000	40,000

In terms of health and prevention Manutencoop promotes two important initiatives, one of which is valid for a year with the other one taking place in September.

The first is the partnership with the **Bernardo Ramazzini National Institute for the study and control of cancer and environmental diseases**, thanks to which all employees have the chance to become members of the cancer research and prevention institute and to have a free check-up at the Institute's premises. The cost of the membership and check-up is borne by Manutencoop. In 2012, 132 specialist check-ups were carried out with the associated costs borne entirely by the company. The most requested diagnostic tests were those related to the screening and prevention of breast illnesses (mammograms and breast ultrasounds) and tumours of the female reproductive system (pap tests and ultrasounds).

The second initiative takes place in September and relates to the partnership with the Susan G. Komen Italia Onlus association which promotes the **Race for the Cure**, a 5 km mini marathon with a 2 km walk that aims to raise public awareness of the importance of prevention and raise funds for the battle against breast cancer. The Bologna Race for the Cure took place on Sunday 30 September 2012, departing from Piazzale Jacchia and finishing in Giardini Margherita, and as well as supporting the event with a donation, Manutencoop also paid the registration fees of all of its employees that decided to take part and was able to enrol some of its female workers in the breast cancer screening and prevention programme. 42 Manutencoop employees took part in the race and 29 female employees underwent free specialist check-ups (breast check-ups, ultrasounds and mammograms).

The "Viva il teatro" (Viva the theatre) and "Manutencoop ...andare al cinema" (Manutencoop is...going to the cinema) projects were also held once more in 2012, the belief being that culture and art are elements that enhance the region and the community.

As part of these projects, Manutencoop gave all members that requested so the chance to attend - as a one-off during the year - a performance or show of any type in any Italian cinema or theatre, guaranteeing a total refund of 15 euro for a maximum of two cinema tickets and 40 euro for a maximum of two theatre tickets.

In 2012, 23 members took advantage of the "Manutencoop ...andare al cinema" initiative for an overall contribution of 330 euro by Manutencoop while "Viva il teatro" was used by 29 members for an overall figure of 1,105 euro.

For the 2012-2013 football season, Manutencoop once again had a number of tickets for Bologna Football Club home games. The "Allo Stadio, tutti!" (Everyone to the Stadium) initiative was designed to get as many members and workers as possible to attend the stadium.

In fact, 723 people attended the 19 games Bologna played at the Stadio Dall'Ara, 620 members and 103 employees, with an average of 38 people at each match.

Ramazzini Institute
Specialist check-ups
132



Stadium
Matches
19
Attendees
723
Average number of employees at each match
38

External social policies

Alongside the activities specifically targeted at members and employees, Manutencoop promoted numerous external mutuality projects designed to enhance and support the social contexts in which it operates or areas undergoing development.

In a bid to strengthen its presence in the territory and its bond with local communities, as well as to provide opportunities for growth and recreation, Manutencoop chose to support the following activities, among others, in 2012:

- › the theatre season of the Arena del Sole and Teatro Testoni theatres in Bologna;
- › the TRETATRIXTE theatre season of the Theatres of San Giovanni in Persiceto, Crevalcore and Sant'Agata Bolognese;
- › the theatre company formed by minors at the "Pratello" young offenders' institute in Bologna;
- › the theatre season of the Municipal Theatre of Crespellano;
- › the theatre season of the Municipal Theatre of Pegognaga;
- › the theatre season of the Municipal Theatre of Viadana;
- › Porretta Soul Festival, which makes a major contribution to the economy of the Bologna Apennines;
- › the Cross Over Jazz Festival promoted by the Municipality of Imola at Rocca Sforzesca;
- › the musical and theatrical activities of Fondazione Musicale di Santa Cecilia;
- › the "Cinema Gran Reno" festival in Casalecchio di Reno.

As well as promoting cultural activities, Manutencoop also decided to invest directly in 6 associations involved in research and charitable projects and to give its employees and members the chance to do likewise. As such, at Christmas employees were able to decide whether to donate their Christmas bonus to one of the following associations:

- › UNICEF – the United Nations Children's Fund, the UN programme set up to protect and promote the rights of children and adolescents (0-18 years) all over the world, and to contribute to improving their living conditions.
- › Médecins Sans Frontières - the biggest independent medical-humanitarian organisation in the world, founded by doctors and journalists in France in 1971. MSF currently provides humanitarian aid in over 60 countries to populations whose survival is threatened by violence or disasters.
- › GVC – Gruppo di Volontariato Civile per la cooperazione internazionale – a secular Italian NGO designed to contribute to the active development of 27 countries. Since 1971 its focus has been children, women, water, work, health and rights.
- › AIL – Associazione italiana contro le leucemie (the Italian Leukaemia Association) - an association set up to promote and support scientific research, improve the quality of life of the sick and their families, and to raise public awareness of the fight against blood-related illnesses.
- › Fondazione Università degli Studi dell'Aquila – a foundation that raises funds for the reconstruction of the University of Aquila, which was seriously damaged by the earthquake of 6 April 2009.

Finally, in 2012 Manuencoop once again supported “La città civile” (The civil city) project promoted by Antartide – the Environmental Studies and Communication Centre - and endorsed by the Region of Emilia Romagna.

The project involves the development of educational programmes in Bologna schools and, subsequently, the proposal of communications activities aimed at the entire city on the themes of civil education, respect for others, the environment and common resources. Actions that lay the emphasis on the activities of the students.

The project is innovative because it positions schools as systems that listen and, at the same time, speak to the city, that act as role models and give voice to the virtuous city. Once noted for the strong sense of civic virtue of its citizens, Bologna is now a city that has been scarred by deep cuts. Rather than inhabiting the city, many residents have consumed it and rudeness and transgression have become a way of life.

“La città civile” wants to speak with and promote those who show their respect for the city and their neighbours every day through their actions. The project is structured into various initiatives, including:

- › “Cantieri civili” (Civil worksites) – actions to clean up and beautify run-down areas;
- › “La primavera del rispetto” (The Spring of respect) – the distribution of gladiolus bulbs (symbol of respect) in squares and schools;
- › “La settimana del saluto” (Greeting week) – to reflect on the value of kindness and to symbolically bring people together, restoring a sense of optimism.

Manuencoop thanks all of the employees pictured in the photos for their help.

In association with:



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