SOL S.p.A.
Health, Safety and Environmental Report
2009

Contents

Responsible Care®

The Chemical Industry commitment
to Health, Safety and the Environment

Drafted by

SOL Group Industrial Risk Management Office
SOL Group Quality, Safety and Environment Head Office

April 2010

Our commitment

We are delighted to present the first SOL S.p.A. Health, Safety and Environmental Report.

The aim of this report is to document the commitment of all our SOL S.p.A. colleagues towards environment, health protection and safety.

It also symbolises the policy of transparency and dialogue with all the stakeholders that SOL has undertaken to pursue.

SOL has long regarded sustainable development and the quest for continuous improvement as fundamental values, values whose underlying prerequisites are the protection of human beings and the environment, thus also guaranteeing the rights of the future generations.

In this context, in recent years our company has made significant investments in both plants and human resources.

These have enabled us to strive for excellent results, the most notable being our injury frequency rate, which is well below the national average.

Our commitment for the next few years is to continue along the path we have taken, further improving our environmental and safety parameters thanks to the contribution of our employees and consultants.

Aldo Fumagalli Romario
Chairman SOL S.p.A.

Marco Annoni
Vice Chairman SOL S.p.A.

Health, Safety and Environment

The development and success of our company would not be possible if the safety of the workplace, products and services, and the environmental impact of our activities were not in tune with the increasingly stringent legal and technological standards.

We believe in the development of a culture and a shared code of ethics in terms of safety and health and environmental protection, because these issues rather than being the domain of a handful of specialists, should form part of the conscious and responsible day-to-day activities of everyone in the working world.

We want our employees to understand that working safely means, above all, showing respect for both yourself and those around you, knowing that nothing is free of risk but that, nonetheless, everything can be achieved, managed and maintained with the objective of "zero accidents, zero injuries, and zero environmental impact".

Alessandro Castelli
Quality, Safety, Environment and Regulatory Affairs Head Manager, SOL Group

Vincenzo Camparada
Industrial Risk and Insurance Manager, SOL Group

Introduction

The main goal of the "Health, Safety and Environmental Report" is to describe the activities undertaken and the results achieved by SOL S.p.A. in the area of safeguarding the environment, of safety and protection of health in 2009.

The most significant environmental and safety parameters regarding 2009 and the three previous years are illustrated.

The report is also designed to be a tool for internal analysis, and a testament, for all interested parties, to SOL's continued commitment to bringing together environmental, safety, social and economic issues and satisfying, therefore, the requirements of the present without compromising the possibility that the future generations may also satisfy theirs.

This document is divided into five chapters:

1. Company profile

   Contains: Main financial data, some historical data on the company and the principales of ethics and conduct to which it adheres. The activities it carries out and the products it deals with are also described.

2. The safety and environmental management system

   Description of the integrated quality/safety/environmental management system.

3. Environmental indicators

   The most significant environmental parameters are reported.

4. Health and safety

   Analysis of injury trends.

5. Relations with Stakeholders

This Health, Safety and Environmental Report refers to the solar year that goes from 1 January 2009 to 31 December 2009.


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Company profile

SOL S.p.A., whose origins date to 1927 when the first company was founded in Monza, underwent rapid development as of 1960, and today heads up a Group that operates with production plants in 17 European countries.

SOL S.p.A. has been listed on the Milan Stock Exchange since 1998 with a capitalisation of around 400 million Euro.

The Group's production activities in Europe take place in 33 primary production plants, units that produce gas using raw materials (atmospheric air, natural gas, calcium carbide and ammonium nitrate) and in 42 secondary production plants, units that deal with the filling of gas cylinders, their storage and distribution (mainly deriving from primary processing plants), and the production of high purity gas, as well as high precision mixtures.

SOL was one of the first technical gas companies in Europe to take advantage of the recent market opportunities.

In the field of domestic assistance in particular, SOL has developed, before many of its other competitors, the use of new technologies in the therapies and applications of medicinal oxygen and, more generally, in respiratory assistance.

SOL has also taken advantage of the expansion opportunities in Central Europe, developing nine production units in five countries, and in south-east Europe, with seven joint ventures and five acquisitions in just five years.

The following table outlines the main SOL Group and SOL S.p.A. figures with regard to 2009.

	SOL Group	SOL S.p.A.
Revenue	462,6 Mil Euro	207,4 Mil Euro
Cash Flow	81,7 Mil Euro	33,4 Mil Euro
Employees	1.887	593
Investments	63,4 Mil Euro	23,5 Mil Euro

Code of Ethics and Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01

The SOL Board of Directors confirmed, in its meeting of 19 February 2009, the validity of the Code of Ethics, which entered into force on 1 January 2006.

On the same occasion it also approved a new edition of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01 which integrates, among other things, the offences introduced in terms of the application of the decree subsequent to January 2006 and, in particular, those related to health and safety in the workplace included in Italian Legislative Decree 81/08.

The Code of Ethics defines the values underpinning the activities of SOL, to which SOL employees and suppliers must adhere.

Below is the "Introduction" in its entirety. The full Code of Ethics can be found on the company website.

Code of Ethics: Introduction

The SOL Group operates in the production, sale and distribution of technical gases (industrial, pure and medical), applied research, plant engineering and related services for the home-care sector, along with the design, manufacture and sale of welding equipment and accessories.

SOL is a multinational organisation with operations in 15 European countries. Due to the complexity of its structure and the range of fields in which it operates, on the occasion of the conformity and effectiveness audit performed in compliance with Italian legislative decree no. 231/2001, the Group decided to bring together in a single document the values and principles that have always distinguished SOL's activities and its relations with employees, consultants, customers, suppliers, shareholders, partners and public authorities: in other words, all individuals and organisations with whom the Group has business relations.

Fair and honest conduct, the circulation of information, willingness to listen, acknowledgement of customers' problems as our own, and awareness that the economic process cannot exist independently of a system of values: these are the principles to which we are committed and by which we have always sought to conduct our business.

At SOL we believe that the internal structure of an organisation should allow each individual adequate space to work autonomously within his or her particular area of responsibility while maintaining a solid relation of trust with the company. Each employee should accept the normal degree of motivation, control and coordination performed by the organisational hierarchy as part of its task of unification and regulation.

We are increasingly convinced that success does not derive solely from the pursuit of profit, but that it is also the result of our role in the wider social context and the variety of relations we have with the community as a whole.

It is therefore essential that we be capable of integrating the company's economic dimension with its social, legal and ethical dimensions, enabling each individual activity to contribute to the well-being of all, with improvements in both quantitative and qualitative terms.

In assessing how our company operates, we must not limit ourselves to merely measuring its efficiency, but must also find appropriate parameters for measuring the contribution made by the company itself and by each of us towards the common good.

Our business involves some of the noblest of all human aspirations - self-fulfilment, commitment, solidarity, creativity and a sense of responsibility - which must be nurtured and allowed to develop.
This will inevitably have important ethical implications for the company, above and beyond any strictly economic concerns.

Only by sharing these beliefs and behaving accordingly, increasing the quality, transparency and fairness of our professional conduct, will it be possible, for ourselves and for our company, to rise to the challenge of the global market.

It is our firm conviction that these principles enable us to respond to our customers' requirements more effectively, to take on new challenges confidently, and to renew and improve the Group, the companies of which it is composed and, finally, ourselves as individuals.

It is in this spirit that on November 11th, 2005 the Board of Directors of SOL S.p.A. approved this Code of Ethics and Conduct (hereafter also referred to as the "Code"), effective as of 1 January 1, 2006 as the "Constitutional Charter" of the Group*.

* approved by the Board of Directors of Vivisol S.r.l. on 11 November 2005.

Description of activities and products

SOL produces and markets a complete range of technical-industrial, medicinal, pure and high purity gases, integrating this service with the design, construction and management of onsite gas production plants, storage and distribution plants, apparatus and systems for gas utilization, as well as the administration of connected services.

The production activities take place in:

1. Primary production units: Units with systems that produce gas using raw materials. These raw materials and the relative gases produced are: atmospheric air, for the production of oxygen, nitrogen and argon; natural gas, for the production of hydrogen and carbon dioxide; calcium carbide for the production of acetylene, and ammonium nitrate for the production of nitrous oxide.

2. Secondary production units: Units where the gases are packaged (usually using gases from the primary processing units) in the physical form (compressed gas or cryogenic liquid, for example) and in containers suitable for the distribution to end users (cylinders, cylinder bundles, canisters, tanks). Mixtures of pure and high purity gases are also produced in some units.

The range of SOL produced and distributed gases includes: Oxygen, Nitrogen, Argon, Hydrogen, Carbon dioxide, Acetylene, Nitrous oxide, Gas Mixtures, High-purity gases, Medical gases, Food gases and gaseous Helium.

SOL also markets gases produced by third parties such as Liquid Helium, Gas for electronics, Ammonia and combustible gases for industrial use.

The various plants and equipment include apparatus for medical applications, cryogenic applications, freezing tunnels, oxy-fuel burners, ozonisers, medical air systems, plants for onsite gas production, and welding machines and apparatus.

Products and technologies for safety and the environment

SOL's focus on environmental and safety problems is not limited to the realm of its production activities, but for over thirty years has also been concentrated on the development of technologies and services for its clientele. As a result, numerous gas applications and plant solutions have been designed whose strengths include the safety of the user and the safeguarding and protection of the environment. The main examples of these are listed below.

Oxygen

Used in the following processes, among others:

- oxy-fuel combustion in industrial furnaces: energy requirements are reduced, increasing efficiency and reducing the emission of particulates and NO_x
- water treatment: the use of oxygen makes it possible to reduce the volume of sludge and VOC emissions, increasing, at the same time, treatment capacity; technologies based on ozone increase the level of purification and eliminate undesirable by-products
- incineration of solid waste: a safer approach is possible, with the destruction of pollutants.

Nitrogen

Used in the following processes, among others:

- freezing: Nitrogen is an alternative to the use of refrigerants, such as fluorine derivatives, responsible for the greenhouse effect
- inertization: the chemical inertia of nitrogen is exploited to avoid contact with the oxidising substances of chemical products, oil and gas products etc.

Hydrogen

The use of hydrogen as a combustible in internal combustion engines makes it possible to reduce greenhouse gas emissions to practically zero. SOL actively participates in a range of projects for the development of technologies for the distribution, storage and use of hydrogen as a clean energy carrier in various sectors, including the automotive sector.

On-site plants

Another significant contribution to the protection of the environment comes from the onsite realisation of gas-producing plants at client premises. These "onsite systems" contribute to the achievement of two important goals:

- fewer kilometres travelled, as they represent an alternative to traditional road deliveries wiht cylinders or in bulk.
- a reduction in energy consumption as the production process, specialised in the production of a single gas with specific qualities, has lower energy consumption levels than a traditional centralised plant.

By applying the "Life Cycle Assessment" method it is possible to determine the reduction of the environmental impact in terms of CO_2 equivalent: in 2009 this value came to 12,290 tonnes.

The safety and environmental management system

SOL has adopted an integrated Quality, Safety and Environmental management system to guarantee coverage of all its activities, eliminating pointless duplications and emphasising synergies.

In 2009, the regulations governing the "Safety" section of the management system were closely verified for their consistency with the provisions of D.Lgs 81/08 "Attuazione dell'articolo 1 della legge 3 agosto 2007, n. 123, in materia di tutela della salute e della sicurezza nei luoghi di lavoro" ("Testo Unico sulla sicurezza e salute sul lavoro"), as amended by D.Lgs 106/09, applying the due corrections.

Policy

The SOL management policy in the area of safety and the environment is outlined in a document signed by the Chairman. This establishes the principles that guide the company's operations, consistent with the objectives of safeguarding the environment, and guaranteeing and protecting the safety and health of employees, suppliers, clients and the general public.

The policy document regarding safety and the environment is published on the company website and widely distributed internally, at all levels.

The periodical revision of the document ensures that any necessary updates to the objectives can be administered and integrated.

The primary processing plants also issue their own environmental and safety policy document which, adopting the principles of the SOL policy, integrates them with the specific objectives of the site.

Organising structure

Environmental, and health and safety in the workplace issues are entrusted to a specific department which, forming part of the Quality, Safety and Environment Head Office, has the task of managing activities relating to the corporate management system, defining action areas, checking their application, and coordinating the actions of the Territorial Units and the other Offices.

One or more members of staff in each Unit are also trained in order to acquire specific skills in the areas of safety and the environment, enabling them to enact company directives and monitor their correct application.

Training and raising awareness

The training of employees is key to the correct application of the corporate management system.

As such, all employees are involved in ongoing awareness raising and training activities in the environmental and safety sector with the goal of eliminating or minimising the possible environmental impact of our activities, and guaranteeing high levels of safety.

The training requirements of each individual Unit are established on an annual basis by the respective Offices, and implemented in personalised training programmes aimed at employees of all levels.

The training and updating of managers is also crucial.

To this end, periodical meetings are organised, also involving the participation of external specialists, to improve the skills of managers, but also to stimulate collaboration between the Units and to share management methods.

Further attention is focused on safety issues through the periodical publication of "Safety Alerts" (which, taking events that have occurred in the sector as a starting point, encourage respect for correct codes of conduct) and the "Quarterly Accident Reports" (which illustrate the most serious accidents to have occurred in the sector, analysing their causes).

Safety training

309 training meetings were held in 2009, 16.5% at the head offices and the remainder at the production Units. 2,187 people took part in the meetings, for a total of 7,862 hours.

Environmental training

59 training meetings were held in 2009. 357 people took part in the meetings, for a total of 3,635 hours.

Auditing

Inspections ("audits") are the main tools used to monitor the correct functioning of the health, safety and environmental management system, and to identify and subsequently implement eventual corrective measures.

Audits can be "internal", i.e. carried out by SOL Group personnel, or "external", i.e. entrusted to third party organisations, normally for the renewal or attainment of new certification.

The aim of internal audits is:

- to verify that activities are carried out in compliance with company procedures and regulations, and to determine the corrective measures to take in the event of non-compliance
- to support the Unit subjected to the audit in their efforts to improve, contributing the experiences of other Units and strengthening company culture in terms of health, safety and the environment.

In 2009, a total of 56 days of internal audits were carried out in the areas of safety and the environment.

External audits are carried out by the certification body in the same way as internal audits, and are aimed at verifying the correct application of the management system, and the respect for reference regulations (ISO 14001, OHSAS 18001 and EMAS).

In 2009, SOL's operations were subject to 11.5 days of external auditing by certification body Certiquality.

Certification

After adopting a management system, the next logical step is that of obtaining certification.

The aim of obtaining certification is to have an official and independent report of the company's commitment to health, safety and environmental issues, making it increasingly qualified in the eyes of external third parties.

With the entry into effect of Italian Legislative Decree 81/08 which foresees, as a necessary condition to avoid the eventual application of sanctions outlined in the Decree, the adoption of a management system in line with OHSAS 18001, Certification is even more relevant as it acts as a guarantee of the Top Management.

On behalf of all its Units, SOL has therefore decided to obtain Safety Management System Certification, in accordance with the OHSAS 18001 standard, on the basis of a programme that should be completed by 2011.

The below table outlines the certification attained by SOL S.p.A. as at 31 December 2009. ISO 14001 certification for the Cremona plant was attained for the first time in 2009.

	ISO 14001	EMAS	OHSAS 18001	ISO 9001	Eccellenza (1)
Mantova	X	X	X	X	X
Verona	X	X		X	
Cremona	X			X	
Monza plant	X			X	
Various (2)				X	

(1) Certificate issued by Certiquality to Units that possess ISO 9001, ISO 14001 and OHSAS 18001 certification

(2) Cuneo, Piombino, Salerno, Monza Gas Puri, Ancona, Bigarello (Mantova), Catania, Marcianise (Caserta), Modugno (Bari), Padova, Pavia, Pisa, Ponte a Ema (Firenze) and Zola Predosa (Bologna).

Responsible Care

Responsible Care®
The Chemical Industry commitment
to Health, Safety and the Environment

In 1995, SOL was one of the first companies in Italy to adhere to the Responsible Care programme, the chemical industry's global voluntary initiative, endorsed in Italy by Federchimica. The company plays an active role in the programme and has a representative on the management committee.

Each year the programme collects various environmental and work safety performance indicators, also used when drafting this report.

Seveso Directive

Because of the types of gas they produce and the amounts they have in storage, some of the SOL Units are subject to Italian Legislative Decree 334/99 ("Seveso Directive").

The affected plants are those in Piombino and Mantova (art. 8), and those in Cremona, Cuneo, Salerno, Ancona, Verona and Pisa (art. 6).

Italian Legislative Decree 334/99 imposes the adoption of a specific safety management system (which has many similarities with the contents of OHSAS 18001) and this further strengthens the commitment of the plants involved, which are periodically subject to controls by the Authorities (one during 2009), all of which concluded with a positive outcome.

I.P.P.C. and Integrated Environmental Authorization

Some SOL plants are subject to Italian Legislative Decree no. 59 of 18/02/2005 on Integrated Pollution Prevention and Control (I.P.P.C.), which disciplines the issuance, renewal and re-examination of Integrated Environmental Authorization.

The company attained this authorisation for its hydrogen production (Ravenna, Cuneo and Salerno) and nitrous oxide production (Cremona and Caserta), whilst the authorisation for acetylene (Ancona) is still pending.

Environmental indicators

SOL's production activities have a modest impact on the environment both in terms of the amount of waste produced, and atmospheric and water emissions.

More significant however, in terms of global impact, is the level of energy consumption in primary production and the level of fuel consumption of gas transportation vehicles.

The plants

The environmental indicators reported herein relate to primary processing plants, i.e. those that contribute their data to the drafting of the Responsible Care Report.

The data relating to secondary processing plants are not included in this Report as the resources used and the emissions produced in these plants are limited and thus represent a negligible percentage of the total. As such, for the moment this data is not collected in a systematic manner.

The table provides some information on the primary processing plants, whose environmental parameters are summarised in this Report.

As well as the gases produced, the following information is also provided:

IEA (1)

The plant has Integrated Environmental Authorisation, falling within the IPPC field of application (for Ancona: applications presented, awaiting response from responsible authorities).

EEP (2)

An External Emergency Plan is in force at the industrial site, which takes accident scenarios relating to the SOL unit into consideration.

Certification (3)

If it has a logo, the site is certified as being compliant with one or more of the following standards: ISO 9001, ISO 14001, OHSAS 18001 or EMAS Registration (according to the logo displayed).

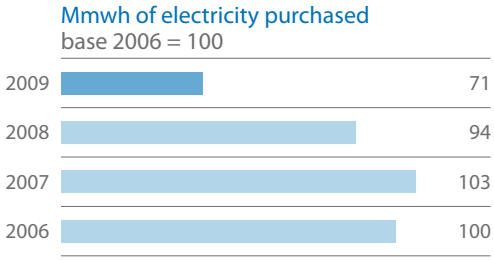
	Description	Production	IEA [1]	EEP [2]	Certification [3]
	Piombino	Oxygen, nitrogen and argon, liquid and gas	No	Yes	
	Mantova	Liquid oxygen, nitrogen and argon; nitrogen gas and air	No	Yes	EMAS
	Verona	Liquid oxygen, nitrogen and argon; oxygen gas	No	No	EMAS
	Salerno	Liquid oxygen, nitrogen and argon; nitrogen and hydrogen gas	Yes	No	
	Cuneo	Liquid oxygen, nitrogen, argon and carbon dioxide; nitrogen and hydrogen gas	Yes	Yes	
	Cremona	Nitrous oxide; compressed gases in mobile containers	Yes	Yes	
	Ravenna	Hydrogen gas	Yesi	No	
	Pisa	Compressed gases in mobile containers	No	No	
	Ancona	Acetylene; compressed gases in mobile containers	Yes	Yes	
	Marcianise	Nitrous oxide; compressed gases in mobile containers	Yes	No	

Energy

Electricity consumption is key to the air separation process for the production of cryogenic gas as both the compression of the gases and their liquefaction are operations that involve significant energy consumption.

The company is particularly attentive to monitoring energy consumption, not only for economic reasons, but also to fulfil the sustainability criteria that underpin the SOL Group culture.

Activities to contain energy consumption are not just limited to optimising processes and the careful management of plants, but extend to the design and choice of plant solutions and the updating of plant machinery, areas in which there is significant investment every year.



The graphic outlines the trends as regards the quantities (Mwh) of electricity purchased, taking 2006 = 100 as a basis.

The fall in purchases in 2009 is an inevitable consequence of the negative market scenario.

This led to a reduction in the quantities produced, but also made it possible to concentrate production in plants with lower specific consumption.

Transport

Transportation is another key topic when it comes to environmental and safety issues.

In fact, products are mainly distributed to the widespread customer base by road.

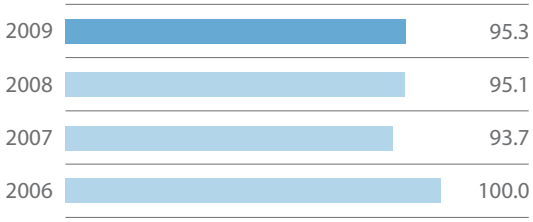
The characteristics of the main products are such that special vehicles (heavily insulated tankers for cryogenic liquids) or containers (cylinders for compressed gases) are often required whose basic characteristics result in low efficency as for consumption of fuel per unit of product transported.

SOL's activities to reduce fuel consumption and, therefore, environmental impact, take the form of:

- developing production units that are as widespread as possible in order to reduce the distances travelled by vehicles
- investments in next generation heavy insulated tankers, with a better relationship between the weight of the product being transported and overall weight
- the adoption of logistics management methodologies designed to optimise routes.

2009 saw the conclusion of an experimental phase involving the use of a specific piece of software to plan the distribution of liquid products. In 2011, it will be extended to all vehicle management centres.

Relationship between km travelled and products transported (m^3/kg)
base 2006 = 100



The graphic outlines the trend in the ratio between kilometres covered and units of transported product (m3/kg), taking 2006 = 100 as a basis.

Although influenced by the product and client mix, the data illustrate a consolidated reduction of around 5%.

Acoustic emissions

Noise pollution originally mainly came from compressors, turbines, tank loading operations and the functioning of the cooling towers used to cool industrial water.

To reduce emission levels, which were already limited in the plant design phase with the adoption of a number of technical features (such as the encapsulation of the compressors), over the years a number of other steps have been taken, such as the installation of silencers at tank loading lines and the soundproofing of evaporating towers.

Thanks above all to these operations, the daytime noise levels at the perimeter walls of all of the plants were found to be below 70 dB(A), and therefore within the legal limit for industrial areas.

The company is nonetheless committed to continuously monitoring noise pollution levels and, where possible, reducing them further with new plant operations.

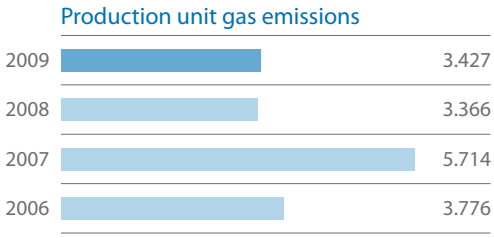
Atmospheric emissions

The production processes do not generate significant amounts of harmful emissions.

The emission values are monitored periodically and are always well below the legal limits.

Greenhouse gases (tCO_2 equivalent/year)

The emission of greenhouse gases is limited to the nitrous oxide and HFCs (hydrofluorocarbons) used in the plant refrigeration circuits.



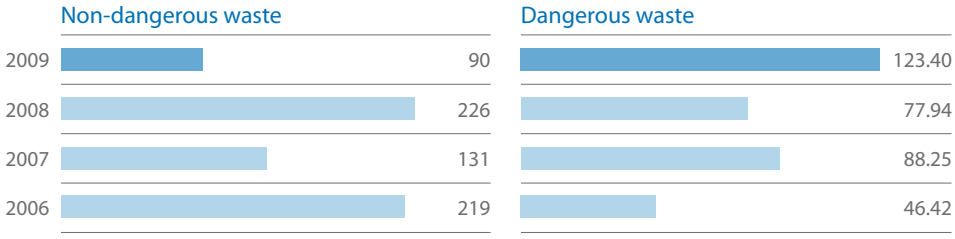
The graphic shows the quantity of greenhouse gases emitted by the production units, expressed in tonnes of carbon dioxide equivalent.

Waste (tonnes/year)

Waste production is mainly the result of maintenance operations and this explains the irregular amount of the quantities produced.

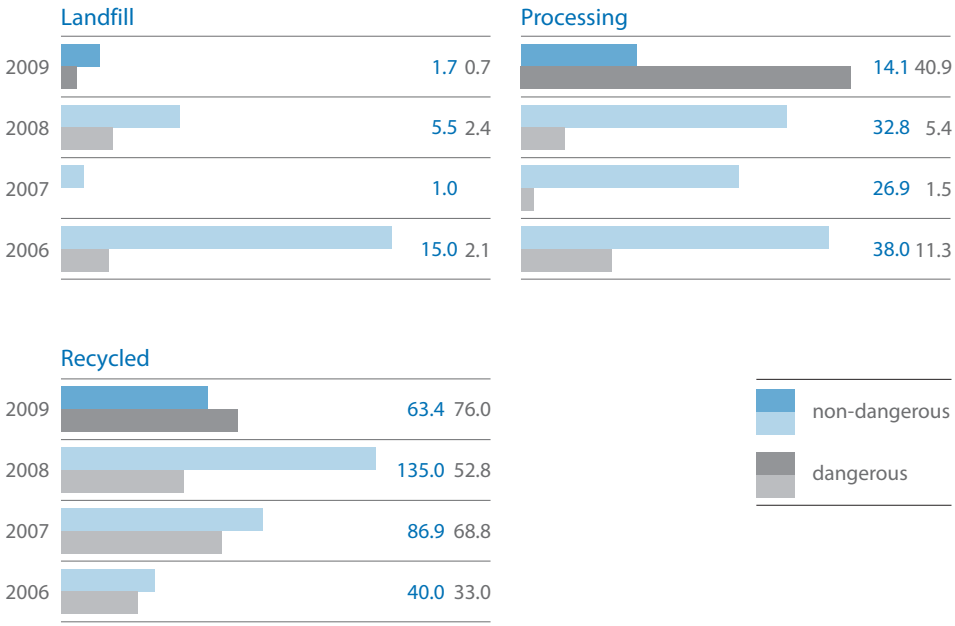
Waste classified as non-dangerous is typically made up of iron scraps, packaging and insulating materials.

Waste classified as dangerous is typically made up of exhaust oils used to lubricate the machines.



The greater quantity of dangerous waste produced in 2009 can be attributed to the extraordinary dumping, by the Ancona plant, of a load of calcium hydrate (by-product of the acetylene production process, normally sold) and the disposal of the ammonia solution deriving from the water treatment of the drains of the ammonia storage and filling system at the Cremona plant.

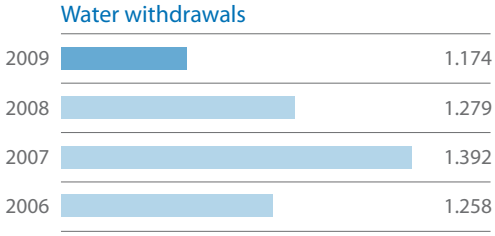
The waste produced is separated as follows:



Water withdrawal ($m^3 \times 10^3$)

Water is mainly used for topping up the refrigeration circuits in production plant machines.

Water withdrawals were also affected by the reduced production levels of the air separation plants in 2009.



Water drainage (tonnes/year)

The plants carry out water drainage monitoring and quality control programmes.

The analyses carried out show that, as well as the absolute values of the pollution quantities outlined in the following graphics, the concentration of pollutants is well below the limits established by law.

COD

2009	10.62
2008	6.50
2007	10.33
2006	20.08

Total nitrogen

2009	4.32
2008	2.62
2007	4.57
2006	5.08

Suspended solids

2009	5.16
2008	3.97
2007	5.12
2006	10.93

Total phosphorus

2009	3.08
2008	0.78
2007	1.80
2006	0.56

Heavy metals

2009	0.10
2008	0.29
2007	0.08
2006	0.21

Soils and aquifers

The production of oxygen, nitrogen and argon is carried using a typically physical process (air separation) that excludes the possible presence of substances that can provoke the contamination of the soil or the groundwater.

The hydrogen production process from steam reforming does not involve harmful chemical substances either.

The nitrous oxide production process uses ammonium nitrate, in liquid concentrate or solid form, as a raw material, and this is stored in such a way as to prevent it from dispersed into the soil or groundwater.

In the acetylene production process, the reaction produces calcium hydrate as a by-product, which is stored in special tanks before being sold to users in different product sectors.

A number of SOL Units were set up in areas with soil and groundwater contamination problems, although these problems are exogenous and pre-existed the arrival of SOL in the area.

Mantova

A section of the SOL plant in Mantova, set up as part of the chemical industry park, is included in the "Sito di interesse nazionale Laghi di Mantova e Polo chimico".

2009 saw the conclusion of works to create an independent entrance with respect to that of the "Polo chimico". This work was preceded by an analysis of the soil, which proved to be free of contaminants.

SOL also takes part in the annual "Established underground water monitoring campaigns" promoted by the Mantova Regional Environmental Protection Agency (ARPA).

Ravenna

The SOL plant is located in the Ravenna Chemical Industry Park, where the groundwater has been found to be polluted.

As requested by the Ravenna ARPA, SOL has set up a piezometer on its land, and takes part in periodical monitoring campaigns.

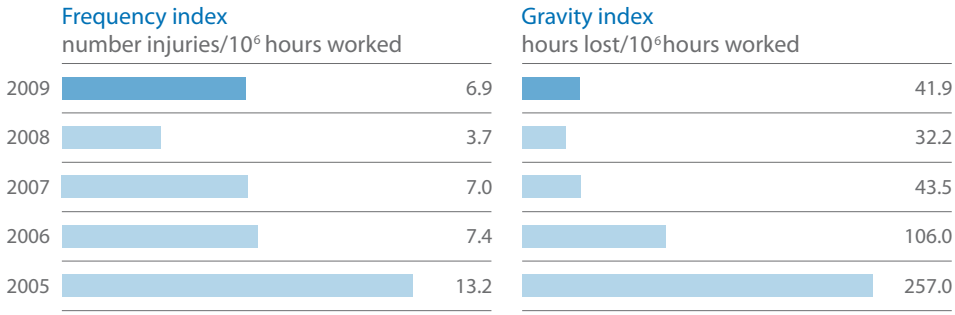
Health and safety

The protection of the health and safety of its employees is one of SOL's primary values and is based on an ethical vision of the workplace.

The trend in terms of accident statistics as outlined below shows that the entire organisation is fully committed to respecting good company practices, as established by the Management System.

Injury indexes

In 2009 the injury frequency and gravity indexes (injuries that resulted in absence from the workplace for at least a day, excluding the day of the accident itself) came to 6.9 and 41.9 respectively.



Both indexes show a consolidation of positive values in previous years, in line with those of technical gas sector at both Italian and European level.

The value of the frequency index is around 70% that of the chemical industry (as reported by INAIL, which however considers injuries that result in over 3 days of absence of work, as opposed to SOL, who count those injuries leading to more than single day off work) which, in turn, is lower than 50% of the average value recorded in the manufacturing industry.

Product safety

A review of the substance and mixture Safety Data Sheets (SDS) was completed in 2009 in order to satisfy the requisites of attachment II of the REACH (Registration Evaluation Authorization of Chemicals) regulations. The SDS database contains over 250 sheets.

Also with regard to REACH, the company has pre-registered the substances it processes during its operations, i.e. acetylene and nitrous oxide, calcium carbide (raw material) and lime (by-product from the production of acetylene).

Also underway are the first activities in response to the introduction of the GHS (Globally Harmonized System), which aims to harmonise the classification and labelling of substances and dangerous preparations at global level.

SOL participates in working groups at national and international level on these issues with the aim of keeping constantly up to date with the evolution of regulations, and to work in harmony with the other companies in the sector.

Employee health

All employees potentially exposed to health risks undergo medical check-ups at a frequency established by the company Occupational Health Doctor (OHD).

In order to maximise the quality of the check-ups, SOL has appointed a head company OHD who will establish guidelines and monitor the health protocols adopted by local OHDs.

The results of check-ups have not brought to light any pathologies connected with the company's activities and there are no cases of professional illnesses.

Relations with stakeholders

To pursue its objectives and quickly identify all possible areas for improvement, SOL makes sure its channels of communication with all social interlocutors, at local, national and international level, are open at all times. These subjects include employees, shareholders, clients, suppliers, authorities and the general public.

Employees

To work in a responsible manner, respecting the environment and protecting health and safety, it is crucial to involve all personnel.

For this, SOL encourages open communication at all levels, regardless of company role.

The frequent meetings between Unit Top Management and operations staff, the maintenance and continual improvement of the company Intranet, and the publication of the company newspaper "SOL News" are all designed to share information and knowledge, the goals of such activities including that of raising ecological awareness and acting with greater responsibility.

Shareholders

The main tool used to communicate with the shareholders is the Financial Statement.

For this reason, the company has sought to go beyond mere compliance with legal obligations and enrich the report, particularly in the "Notes to the Financial Statements" and the "Management Report", with useful information that sheds further light on company activities.

Suppliers

SOL makes increasing use of external resources for activities such as transportation, maintenance and installations.

According to the SOL working method, critical operations involving safety, quality and the environment are only entrusted to companies that have been previously approved following a qualification process involving the filling out of questionnaires and, where deemed necessary, the carrying out of audits.

Of particular relevance, among these continuously monitored requisites, is technical and organisation suitability and the emphasis on environmental issues, and health and safety in the workplace.

SOL is committed to promoting the growing awareness of safety and environmental protection issues among companies that operate at its units, which are involved, where deemed appropriate, in periodical training meetings.

Clients

The ultimate goal of all SOL's operations in all sectors is customer satisfaction, not only through the punctual supply of specific products but also, and above all, by helping to identify the best gas usage conditions and methods.

With clients showing an increasing interest in environmental and safety issues, SOL has invested in the identification and development of technologies that, using the gases supplied, make it possible to improve usage conditions, reducing, for example, atmospheric emissions or making water purification processes more efficient.

Our clients also increasingly frequently ask us for evidence of a Management System, particularly for Quality and the Environment, through the presentation of questionnaires and the carrying of audits at our production units.

SOL's rapid response to such requests represents further qualification of the company in the eyes of our clients.

Authorities

In the management of relations with both local and national authorities, SOL seeks to instil on the basis of objective data and technical and scientific evidence, and with due respect for the roles of the parties involved, constructive dialogue aimed at continual improvement.

General Public

The characteristics of the production processes and the majority of processed products mean that, generally speaking, no problems are created as regards the management of relationships with local communities.

The company is nonetheless committed to open and frank dialogue, and seeks to understand the requirements and requests of the communities in the vicinity of its production units in order to achieve maximum acceptance. SOL also actively participates in formulating the External Emergency Plans (where applicable).

One important project is the "Open Day" initiative, which every year allows the public (whether the general public, students, authorities, clients, or suppliers) to visit a production plant and get a first-hand view of how a complex industrial business is managed.

Associations

SOL actively participates in the work of the principle associations, which group together companies from the technical and medical gas sector in Italy (Assogastecnici), in Europe (EIGA) and at international level (IOMA).

SOL experts sit on various working groups within these associations, contributing to the sharing of technical knowledge and the formulation and updating of sector standards.

In 2009, the company's Director in Charge of Technical and Production Activities was awarded the "International Harmonization Award", an annual prize given to someone that has made a major contribution to international harmonisation in the technical gas industry, highlighting the key role SOL plays in its sector.

SOL S.p.A.

via Borgazzi 27
20052 Monza Italy
telephone +39 039 2396 1
fax +39 039 2396 371

diqs@sol.it
www.sol.it