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SOL Spa

Registered office
Via Borgazzi, 27
20900 Monza (MB)

Share Capital
Euro 47.164.000,00 fully paid up.

C.F. and company register of Monza e Brianza
n° 04127270157
R.E.A. n° 991655
C.C.I.A.A. Monza e Brianza



Our commitment

Having reached the third edition of the SOL Group Health, Safety and Environmental Report, we have decided to further broaden its scope.

The first edition, in 2009, only focused on the activities of parent group SOL Spa; the second edition then extended the analysis to the activities of the entire SOL Group. We now present the first Sustainability Report, which represents the virtuous evolution of this document.

Compared with the past, therefore, the Report is enriched with data and information regarding the social aspects of the SOL Group's activities.

For all of us that work at SOL, sustainable development means growing as a company, generating wealth and promoting development, but always with an awareness of the importance of respecting the resources that the planet makes available to us and behaving virtuously, on a daily basis, in an effort to guarantee the quality of our products, in respect of the environment and safety, and with a constant focus on our relations with our colleagues and all those with whom we come into contact in the various countries we work in and the activities we carry out.

2012, which we are preparing to deal with, will be an important year: 20 years after the first Rio conference, the UN has decided to organize a second one, in June, to take stock of the state of the planet's resources, on what has been done in the last 20 years, but also to establish new goals for the next twenty years.

We also plan to be ready to actively and virtuously participate in this challenge: this is why, in 2011 and in the first months of 2012, SOL has decided to directly and actively contribute, in 2011 and in the first months of 2012, to the project to draft the "Charter of Environmental Sustainability Principles" promoted by Confindustria, and SOL was the first company in Italy to support the project with conviction.

Even during a difficult year like 2011, SOL grew and increased its gross operating margin, a sign that research and innovation, dynamism and the ability to compete, together with a stimulating workplace, strong and healthy interpersonal relations and strong values, as witnessed in our day-to-day conduct, can lead companies to success even at difficult times.



Aldo Fumagalli Romario
Chairman, SOL Group



Marco Annoni
Vice Chairman, SOL Group





Sustainability: our daily challenge

In the working arena we are often required to address and resolve all kinds of problems, to take decisions, some of which quite tough, and to manage a wide array of issues; all activities which if not inspired by the understanding and sharing of the ethical value of doing business, risk being a source of confrontation and tension in the organization with effects on the relations with all company stakeholders.

In preparing in our first Sustainability Report we were able to verify, both during the data collection and final analysis phases relating to 2011, how in every department and every company area, at all levels, there is now great emphasis on the importance of planning, acting and guaranteeing the control over all of one's actions with the goal of sustainable development firmly present at all times.

This concept has been present within the SOL Group for some time, from joining the Federchimica Responsible Care Programme when it was set up in 1994 to the adoption of Integrated Quality, Safety and Environmental Systems in the early 1990's and the approval and dissemination of a Code of Ethics and a Management and Control Organization Model to oversee its processes in 2006.

Starting with this first edition, which involved all Group companies, the Report has been structured according to the principles of the GRI (Global Reporting Initiative) standard with a commitment to gradually moving towards full compliance with this standard.

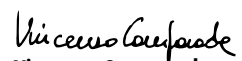
We are convinced that this first Report will encourage all Group employees to propose initiatives that further enrich our long-standing commitment to the issues of Human Resources, Safety, the protection of Health and the safeguarding of the Environment.



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



Roberto Mariotti
Personnel and Legal
Affairs Manager, SOL Group



Vincenzo Camparada
Industrial Risk and
Insurance Manager, SOL Group



Introduction

After two editions of the “Health, Safety and Environmental Report”, this year the SOL Group publishes its first “Sustainability Report” which, compared with the previous editions, includes additional parameters relating to social aspects.

An effort was made to improve the quality and quantity of data and information on our performances and on what we do to protect our people, the environment and the communities in which we work, as well as our actions to guarantee the economic sustainability of our company.

This edition represents a transition towards a report in accordance with the principles established by the GRI standard.

Methodological note

Reference guidelines

During the drafting of the Report reference was made to the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), as part of the gradual transition to full compliance.

The relative reference code is reported alongside the tables illustrating the valid indicators for the GRI system.

The starting point was the data collected for participation in the Federchimica Responsible Care Report, integrated with social data, the subject of periodic reports by the personnel office.

Reporting period and scope

The data reported generally refer to all Group Companies.

The data relative only to some of the Group Companies are highlighted in the comments to the individual sections.

In these cases, a preventive analysis was then carried out to verify that this approach did not impinge on the need to portray reality in an accurate manner.

All data refers to the period 1/1/2011 – 31/12/2011

Data collection

Data was collected using a common form sent and used by all managers in the companies involved.

Balance

The parameters utilised reflect performance trends, independently of improvements or downturns compared with the past, and are objectively and systematically illustrated.

Accuracy

The data are checked by the offices responsible.

For economic data and data relating to Group figures, reference is made to the Group Consolidated Financial Statements.

Structure

The Report is divided into seven parts:

1. Group Profile

The structure of the Group, the activities carried out and the products dealt with by the various sectors making up the Group are described here.

2. System of governance

Here the guiding principles behind the Group's sustainable management and the relative operating tools are described.

3. Relations with the Stakeholders

Here are described the relations between SOL Group and its social stakeholders: employees, shareholders, customers, suppliers, the authorities and the general public.

4. Economic performance

The main economic indicators are reported here

5. Environmental performance

Information regarding the Group's commitment to safeguarding the environment and the most significant environmental parameters regarding the Group's primary production plants is provided.

6. Social performance

Information relating to the management of internal and external relations and the Group's commitment to guaranteeing health and safety in the workplace is provided here.

7. Glossary





Group Profile

The origins of the SOL Group date back to 1927, when the first company was incorporated in Monza, Italy. A rapid expansion started in the early Sixties, which resulted in the Group operating today in 21 countries with 54 Companies.

Alongside its territorial expansion, the SOL Group has sought to diversify its activities carried out in the sectors of:

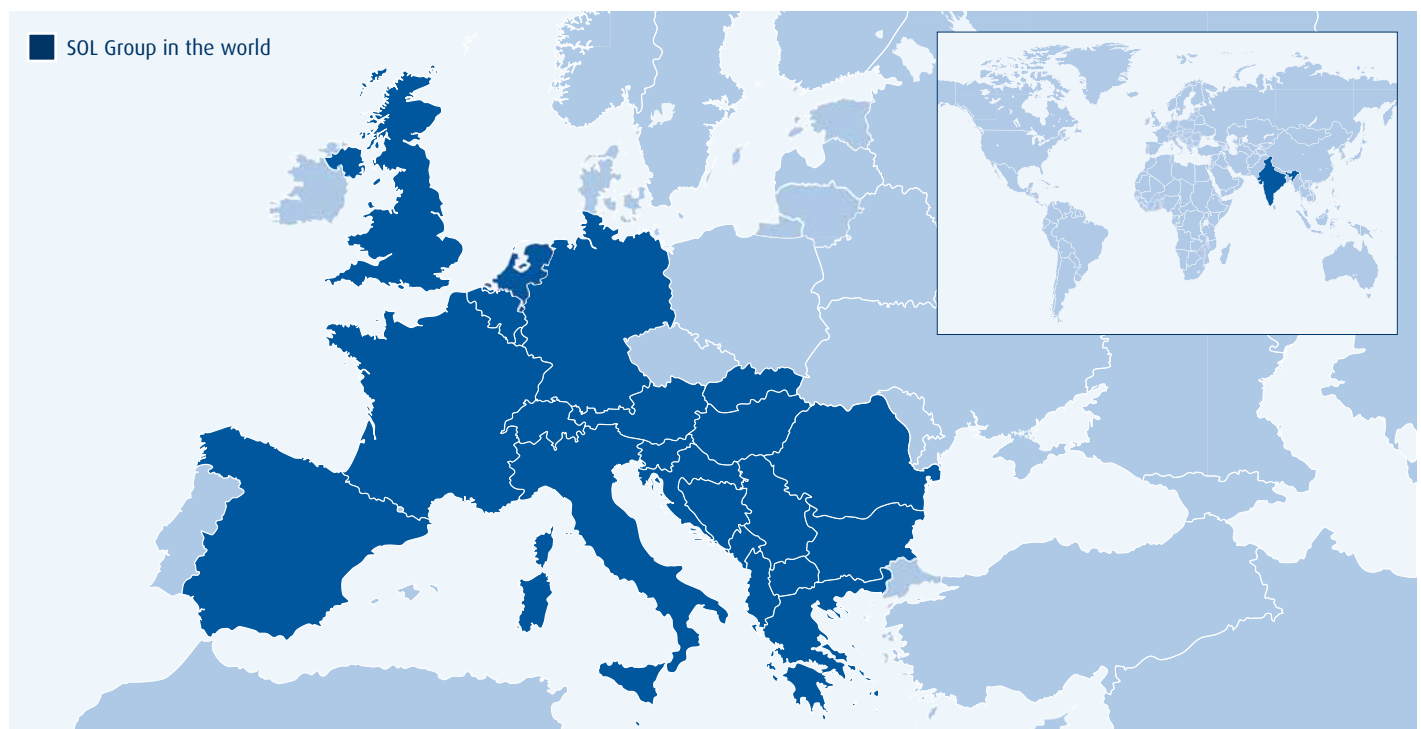
- technical, pure and high purity gases
- medical gases and medical devices
- home care
- production of energy from renewable sources
- biotechnologies

The activities carried out in each of the sectors listed above will be examined in detail below.

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

2011 witnessed the Group expand its presence in Europe with the acquisition of GTH in Romania.

The Group's production activities in Europe are carried out in 34 primary production plants, units that produce gas using raw materials (electricity, atmospheric air, natural gas, calcium carbide and ammonium nitrate) and in 54 secondary production plants, units dealing with gas cylinders filling, their storage and distribution and the production of high purity gases, as well as high precision mixtures.



Technical gases sector

The figures of the technical gases sector:

- 31 companies
- 29 countries
- 1,337 employees
- 34 primary production plants
- 54 secondary production plants
- more than 40,000 customers

Activities carried out:

Production and sale of industrial, medical, pure and high purity technical gases.
Design, construction and management of on-site gas production plants, of storage and distribution plants, of apparatus and systems for gas utilization such as, for example, apparatus for cryogenic applications, freezing tunnels, oxy-fuel burners, ozonisers, and welding machines and allied products.
Administration of services connected with the use of the gases produced.

Gases produced and distributed:

Oxygen, Nitrogen, Argon, Hydrogen, Carbon dioxide, Acetylene, Nitrous oxide, Gas Mixtures, Very high-purity gases, Medical gases, Food gases and gaseous Helium.

Main gases sold:

Liquid Helium, Gas for electronics, Ammonia and combustible gases for industrial use.



Commitment towards environment and safety

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
- environmental remediation: oxygen, transformed into ozone, makes it possible to rapidly remediate contaminated soils and ground water





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., reducing both the risk of contamination and of explosion

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:

- reduction of atmospheric pollution thanks to the fewer kilometres travelled, as they represent an alternative to traditional road deliveries with cylinders or in bulk
- 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.

It is possible to calculate the environmental impact of these reductions in terms of lower amounts of CO₂ emitted into the atmosphere by applying the “Life Cycle Assessment” method: in 2011 production using on-site plants in place of equal quantities produced with traditional plants led to a reduction in CO₂ emissions, which came to 15,920 tonnes.

Sol S.p.A. and Archimede Solar Energy: new use for solar energy.



SOL S.p.A. has worked with Angelantoni Group on the ASE project since 2009, supporting the study and analysis phase of the first pilot plant in Perugia.

The partnership has been consolidated in recent years with the development, at the new Massa Martana site, of all storage and distribution plants of the gases used in the production process of receiver tubes, and with the supply of the technical and pure gases used.

Archimede Solar Energy (ASE), a subsidiary of Angelantoni group dealing with renewable energies, headquartered in Massa Martana in the province of Perugia, was founded in 2007 and has been operational since 2009.

ASE specialises in the production of the receiver tubes used for the production of electricity from solar energy sources. The result of years of research and collaboration with ENEA and renowned Italian physicist and Nobel prize winner Carlo Rubbia, the receiver tubes are used to transfer solar energy, through parabolic concentrators, to specific molten salts, used as a heat transfer fluid for the absorption of solar energy. The salts are therefore heated to high temperatures and used to produce steam and electricity. All of the production phases of the receiver tubes that involve the use of technical and pure gases such as nitrogen, oxygen, argon, hydrogen and helium take place at the brand new Massa Martana plant.

Both SOL and ASE seek to continuously improving safety and health and environmental protection by promoting environmental sustainability and the use of renewable sources for energy production, all of which typical qualities of ASE products.

Medical gases and medical devices sector



The figures of the medical gases sector:

- 19 countries in which the same Companies of the Technical Gases Sector operate
- more than 500 customers
- 40 pharmaceutical manufacturing sites, of which 21 in Italy and 19 in the rest of Europe

Activities carried out:

Production, distribution and marketing of gases and gas mixtures classified both as Medical and as Medical Devices and pharmaceutical Active Ingredients.

Design, construction, management and maintenance of Medical Devices such as centralized medical gas distribution plants and vacuum plants, anaesthetic gas evacuation plants.

Planning, development and integrated management of biobanks for the long-term storage of biological samples.

Design and management of hospital services such as Total Gas Management, Cryomanagement, Cellmanagement, management of drug distribution at healthcare structures, operating theatre environmental monitoring, water disinfection.

Design and management of ECM accredited training services.

Gases produced and distributed:

Oxygen, Nitrous oxide, Synthetic and Compressed air, Nitrogen, Carbon dioxide, Gas Mixtures for breathing purposes, Gas Mixtures for diagnostic-instrumental use

On-site plants for producing synthetic and compressed medical air, endocavitary aspiration plants.

Commitment towards environment and safety

SOL Group activities in the field of design and management of the supply of medical products and hospital services have always been focused on improving the safety conditions in which the medical gases are administered inside hospital and nursing facilities.

The safety of the patient, the medical staff and, more generally, all personnel in

hospital facilities is a primary goal for the SOL Group, and is addressed through the activities listed below.

Management services

Through the planning and delivery of medical gas management services it is possible to minimise the risks connected with the handling and supply of medical gases, considerably improving safety figures as a result.

Training services

Training for the use of medical gases and their packaging in total safety is essential in order to correctly manipulate and administer the products.

Training is provided via ECM courses, which consist of theoretical and practical sessions, and testing.

Plants and accessories for using gases

Medical gas distribution plants are designed in compliance with the essential requirements of the Medical Devices Directive precisely because, being made up of kilometres of pipes that convey the gas throughout the hospital facility, their main objective must be safety: the right gas must reach every patient that needs it in the right quality and in the right amount.

The utilization accessories (pressure reduction units, reducing valves, delivery devices) are studied and designed to ensure the gas is safely delivered and administered to the patient.

On-site plants

The on-site plants are also part of the products handled by the medical gases sector with the same objectives for reducing atmospheric pollution and energy consumption already seen in the technical gases sector.



Home-care sector

Commitment towards environment and safety

VIVISOL carries out its activities in full awareness of the need to maintain and further develop a management policy for quality oriented towards continuous improvement in the field of home-care services and in the context of the overall management of its activities.

As a result, numerous home solutions and services 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:

- a logistics system able to optimize the routes of vans used for deliveries with reduced atmospheric pollution because fewer kilometres are travelled.
- the gradual replacement of the vehicles used for deliveries with the introduction of euro 4 and euro 5 approved vehicles
- a system capable to optimize the external use of nursing and medical personnel and the routes of their cars when making home visits to patients
- an emergency phone assistance system to be used by patients in the event of technical problems with the apparatus
- a technical assistance service with a wide range of available interventions.

The figures of the home-care sector:

- 19 Companies
- 9 countries
- 931 employees
- more than 150,000 patients
- 14 pharmaceutical manufacturing sites, of which 7 in Italy and 7 in the rest of Europe

Activities carried out:

Supply of services, apparatus and products for home oxygen therapy with liquid oxygen, gaseous oxygen and concentrators

Supply of services and apparatus for mechanical home ventilation

Home treatment of obstructive sleep apnea syndrome (OSAS)

Supply of products and apparatus for artificial home nutrition

Supply of integrated home-care services (IHC)

Supply of apparatus and services for home-care of bedsores



Production of energy from renewable sources sector



The figures of the energy production sector:

- 3 Companies:
 - Energetica doo, with 6 hydroelectric power plants in operation;
 - Hydroenergy Sh.p.k, with 2 hydroelectric power plants fed by reservoirs, currently under construction;
 - SOL Hydropower (since January 2012) d.o.o.e.i., with no operational plants;
- 3 countries: Slovenia, Albania and Macedonia
- 7 employees

Activities carried out:

Exploration and identification, design, construction and management of hydroelectric power plants connected to the national high voltage electricity distribution grid with distribution of energy for the Group's production plants.

Commitment towards environment and safety

The production of technical gases heavily depends on the electricity mostly produced from fossil fuels such as gas, coal and oil, which have a highly negative impact on the environment.

One of the goals that SOL Group set for itself some time ago is to cover part of its energy needs with the self-production of electricity from renewable sources so as to reduce its dependence on fossil fuels to the full benefit of the environment.

Several projects have been launched as a result, some of them at the development stage, which have led to the construction of a number of hydroelectric power plants in recent years that are already able to cover some of the Group's energy requirements. We can estimate that the amount of CO₂ emitted into the atmosphere is reduced by 20,000 t/year thanks to the generation of electricity in the Group's plants.





Biotechnologies sector

Commitment towards environment and safety

The service for planning and developing structures for the minimal and extensive manipulation of cells and tissues is targeted at all public and private institutes that carry out scientific research and cell and tissue manipulation activities for transplant reasons. The service includes the design of Cell Factory laboratories and biological sample preservation centres according to the highest technological standards and in compliance with all relevant regulations in force.

The metabolic screening diagnostic service is one more element for the safety of correct development of the infant as it provides an early diagnosis on certain diseases that if diagnosed in time can be treated to ensure the healthy growth of the infant.

The bioshipping service makes it possible to transfer frozen biological samples from one health structure to another in a safe and traceable way. This is a particularly relevant service for assisted reproductive technology centres.

The figures of the biotechnologies sector:

- one company in Italy (BiotechSol)
- 5 employees
- more than 300 customers

Activities carried out:

Biological sample preservation services

Neonatal diagnostics services

Bioshipping services

Scientific research development activities

Activities to plan and develop cell and tissue processing and conservation centres







The system of governance

UNDERLYING PRINCIPLES

SOL Group Code of Ethics

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

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 and which is being progressively adopted by all Group Companies.

More specifically, the document:

- expresses the values shaping the activities of the SOL Group, in other words: fair and honest conduct, 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
- outlines the code of conduct to which all employees and collaborators must abide
- outlines the code of conduct shaping the SOL Group's business management approach, as regards both internal and external activities
- identifies the Group's stakeholders and describes the approach taken with each one
- expresses the underlying principles of the "Employee Policies" and activities aimed at "Protecting safety, health and the environment"
- outlines the prudent and responsible use of resources and information
- describes the sanctions in the event of failing to comply with the Code

The full Code of Ethics can be consulted on the company website www.sol.it.

Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001

SOL S.p.A. and Vivisol s.r.l. have each adopted an Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231 of 8/06/2001 that, among other things, integrates the offences relating to health and safety in the workplace included in Italian Legislative Decree no. 81/08.

The first versions of the two models date to 2006 and were later updated to take account of the management experience acquired, the introduction of new crimes and the law in this area.



Quality Policy

The “SOL Group companies’ quality management policy” is an integrated Quality, Safety and Environment management system document published for the first time in 1993. Its most recent version was undersigned by the Chairman of the Group in April 2009.

The document is disseminated to the entire Group through its publication on the corporate intranet.

The Policy expresses the concept that the SOL Group companies carry out their activities in full awareness of the need to maintain and further develop a management policy for quality oriented towards continuous improvement, in the context of the overall management of its activities, in the belief that quality is a value that is constructed together, day by day, through dialogue, participation, support and involvement.



Safety and Environment Policy

The “SOL Group companies’ Safety and Environment policy” is an integrated Quality, Safety and Environment management system document published for the first time in 1993. Its most recent version was undersigned by the Chairman of the Group in April 2009.

The underlying commitments and principles outlined in the Policy are:

- respect for health, safety and environment norms, laws and regulations.
- to carry out activities with the aim of preventing all accidents and injuries
- to review performances in a bid to guarantee ongoing improvement
- to identify, eliminate or control potentially dangerous situations connected with our activities
- continuous improvement in the areas of personnel training at all levels, the technical updating of plants and the sharing of best practices with partners and in the area of trade associations.

Because, as the Policy states:

- safety and respect for the environment are knowledge and understanding
- safety and respect for the environment requires teamwork
- safety and respect for the environment is a sense of responsibility
- safety and respect for the environment are professional skills

The safety and environment policy document is published on the Group website and is distributed internally, at all levels, and to suppliers.

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

The Units that fall within the field of application of the “Seveso Directive” or that are certified in accordance with BS OHSAS 18001 or the ISO 14001 standard also issue their own environmental and safety policy documents that, adopting the policy principles of the Group, integrate them with the specific objectives of the site.



Responsible Care Policy

In 1995, SOL S.p.A. 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.



THE OPERATING TOOLS

Corporate Governance

Parent Company SOL S.p.A. has adopted its own corporate governance model which it believes to be largely in line with its structure and characteristics (size and capitalisation in particular) and which will enable to continue to guarantee, in its current form, the necessary market transparency, in line with market practice, as well as a balanced and effective system of controls.

Internal control system

The Board of Directors of Parent Company SOL S.p.A. set up an internal control department with the role of verifying compliance with both operational and administrative internal procedures, established to guarantee a healthy and efficient management process and to identify, prevent and manage financial and operational risks and fraudulent behaviour that could damage the Company.

Hierarchically, the people in charge of the internal Control Department do not report to any managers in the operations area, instead reporting directly to the Board of Directors.

Processing of privileged information

The Board of Directors of Parent Company SOL S.p.A. has adopted a special procedure that regulates the processing and communication, both internally and externally to the company, of documents and information regarding SOL S.p.A. and its subsidiaries.

Regulating Internal Dealing

The Board of Directors of Parent Company SOL S.p.A. has adopted an Internal Dealing procedure that regulates operations regarding information obligations.

These obligations are binding on relevant parties with regard to the company's financial instrument operations.



Organising structure

The governance of sustainability is entrusted to the following company departments:

Issues related to health and safety in the workplace and environmental protection:

Quality, Safety and Environment Head Office (DIQS).

The Office makes an annual report to the “Quality, Safety and Environment Management System Steering Committee” (CGQS), which is made up of the Executive Directors, the General Manager and the Co-General Manager, and the Central Managers, and which has the task of reviewing the management system to guarantee its efficacy and suitability over time.

The CGQS:

- examines the performance of the Quality, Safety and Environment/Management System (QSE/MS);
- evaluates and defines strategic operations;
- verifies and, where necessary, updates quality, safety and environmental management policies;
- decides on goals and plans of action relating to quality, safety and environmental management, whose necessity is established during discussions in the Committee.

The progress report and any updates are presented by QSHO to top management during the quarterly report meetings and the investments summit.

Issues related to organisation, work and industrial relations:

Personnel and Legal Affairs Head Office.

The Head Office reports the figures regarding personnel management to the Managing Directors and the General Manager and the Co-General Manager.

On such occasions:

- the main indicators relative to human resources and related costs are represented and illustrated
- data on staff turnover, absences, overtime, working hours and holidays is examined
- the types of contracts used are examined
- the state of industrial relations with union representatives and any lawsuits are examined
- the main training projects are illustrated together with the investments made to improve the management of human resources

Management systems

The SOL Group has designed and adopted an integrated Quality, Safety and Environmental Management System to guarantee coverage of all its activities, eliminating pointless duplications and emphasising synergies.





Through the application of the Management System the Group plans to improve the quality, efficiency and efficacy of its various company processes, thus pursuing the continued reduction of the impact on the health of its employees, workplace safety conditions and on the external environment.

ISO 9001

Beginning with the certification of the first Units attained in 1994, the Group has gradually extended its scope which now covers 66 Units in various European countries, equal to 70% of total, of which: 44 are in Italy, 5 in Germany, 5 in the Republic of Macedonia, 3 in the Netherlands, 2 in Belgium, 2 in Austria, 2 in Croatia, 1 in France, 1 in Slovenia and 1 in Bosnia-Herzegovina.

BS OHSAS 18001

With the entry into effect in Italy of Legislative Decree no. 81/2008 which foresees, as a necessary condition to avoid the eventual application of sanctions outlined in Decree no. 231/01, the adoption of a management system in line with the OHSAS 18001 standard, this Certification is even more relevant as it acts as a guarantee of the Top Management.

SOL S.p.A. has proceeded to obtain Safety Management System Certification on behalf of all its Units, in accordance with the OHSAS 18001 standard.

The certification activity came to a close in July 2010 with the attainment of Certificate no. 8511, and regarded 100% of the Units.

In 2011 the SPG Jesenice plant was also awarded the Certification.

ISO 14001 and EMAS

The important emphasis on the respect for environmental issues, albeit in the context of a production activity with a fairly limited direct impact on the environment, continued with the verification of the correct adoption of the Group Management System through the certification of a number of particularly significant Units. The 7 Units already certified, located in Italy (6) and Belgium (1), were joined in 2011 by the Jesenice (SPG, Slovenia) and Petrovo (TGP, Bosnia-Herzegovina) Units.

Two Italian Units also complied with the EMAS standard.

Charter of environmental sustainability principles

SOL has adopted the “Charter of environmental sustainability principles” drafted by Confindustria and distributed, at the start of 2012, to participating companies.

In line with the Group’s commitment to environmental sustainability issues, SOL contributed by playing a leading role, thanks to the participation of some of its Managers in the working group set up by Confindustria, in the drafting of the Principles Charter and the associated operating guide.

Responsible care

In acknowledgment of the invitation of the Responsible Care Management Committee, in 2011 SOL S.p.A. successfully subjected the organisation to an “Audit of the testing model”, established by Federchimica.

ISO 50001

In 2011 the Frankfurt plant of SOL S.p.A.’s Branch Deutschland obtained ISO 50001 certification. ISO 50001 is an international standard whose adoption helps organisations to improve their performances in the energy sector, increasing efficiency and reducing the impact on the climate and on the environment.

Charter of Environmental Sustainability Principles

Companies are called to operate in an increasingly globalised market. As they grow, they are faced with the internationalisation of the economy, which they strongly support.

In their path towards development and economic growth, companies pursue a strategy for generating wealth, while ensuring the combination of competitiveness, environmental sustainability and social responsibility, as crucial criteria for success and core elements of a genuine enterprise culture.

Companies are aware that the protection of the natural and social environment is a primary community interest. Therefore, their aim is to achieve development goals while improving their environmental performance.

Environmental sustainability is one of the pillars of development. It should be pursued through a synergy between the industrial system, the institutions and the social partners, with the aim to promote a shared pro-active and responsible commitment, which will drive a

virtuous cycle of “mutual emulation”.

In this effort, companies hope to be increasingly supported by a smooth and consistent regulatory framework which will be clear and enforceable both at national and international level, to respond quickly and effectively to emerging challenges and opportunities. For this purpose, promoting rewarding instruments for voluntary initiatives is useful.

In line with the above principles, Confindustria has decided to adopt a Charter of Environmental Sustainability Principles. The Charter is meant as a signpost to direct member companies and has taken stock of their differences in size and in the activities they conduct. The Charter sets out shared principles and indicates the actions needed for a uniform and gradual progress towards greater environmental sustainability by outlining realistic and achievable goals for Italian companies.

Therefore, member companies and organizations that voluntarily adhere to the Charter commit themselves to integrate these principles and commitments in their activity and their growth paths.



10 “Principles” for 10 “Commitments”

1. Achievement of short, medium and long term environmental sustainability objectives

Set environmental protection as an integral part of company activity and growth path.

2. Adoption of a precautionary approach

Assess the impact of activities, products and services to manage the environmental aspects according to a preventive approach and promote the use of best available technologies.

3. Efficient use of natural resources

Promote the efficient use of natural resources, with particular attention to the rational management of water and energy resources.

4. Control and Reduction of environmental impacts

Control and, where possible, reduce emissions into air, water and soil; achieve further reductions of waste production and more efficient waste management by privileging recovery and reuse against disposal; take steps to limit the effects of industrial activities on climate change; promote the protection of biodiversity and ecosystems.

5. The central role of innovative technologies

Invest in research, development and innovation to develop processes, products and services which have increasingly reduced environmental impacts.

6. Responsible product management

Promote responsible management of products or services throughout the entire life cycle to improve performance and reduce environmental impact, including information to customers on product “end-life” management.

7. Responsible management of the supply chain

Promote the preservation of the environment in the management of the supply chain by involving suppliers, customers and stakeholders as primary actors in their own sustainability policy.

8. Awareness and training

Promote activities of information, awareness and training to involve the company and its organisation in implementing their own environmental policy.

9. Transparency in relations with stakeholders

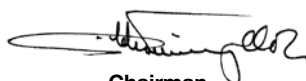
Foster relationships with stakeholders based on transparency to promote a shared approach in environmental policies.

10. Consistency with international activities


Act consistently with the principles endorsed in this Charter in all the Countries where the company carries out its activities.



General Manager



Chairman



HSE Manager



Co-General Manager



The situation as at 31 December 2011 regarding the certification obtained by the SOL Group is illustrated in the following table, divided according to company.

Company	Country	ISO 9001	OHSAS 18001	ISO 14001	EMAS	ISO 50001	ISO 13485	FSSC 22000
Technical Gases Sector								
SOL S.p.A.	Italy	21	29	4	2	-	1	1
ICOA s.r.l.	Italy	1	-	1	-	-	-	-
SOL S.p.A. Belgium	Belgium	1	-	1	-	-	-	-
SOL S.p.A. Deutschland	Germany	-				1		
BTG BVBA	Belgium	1						
NTG B.V.	The Netherlands	2						2
TGS A.D.	Republic of Macedonia	3	-	-		-		3
SOL SEE D.O.O.	Republic of Macedonia	2						1
SOL TG G.m.b.H.	Austria	1	-	-			1	
UTP D.O.O.	Croatia	2						
SOL France S.A.	France	1						
SPG D.O.O.	Slovenia	1	1	1				
TGP	Bosnia-Herzegovina	1		1				1
Home-care Sector								
Vivisol s.r.l.	Italy	17		1				
Vivisol Napoli s.r.l.	Italy	1						
Vivisol Silarus s.r.l.	Italy	1						
Vivisol Calabria s.r.l.	Italy	1						
Vivisol Umbria s.r.l.	Italy	1						
Vivisol Deutschland G.m.b.H.	Germany	4					3	
Vivisol Nederland	The Netherlands	1						
Vivisol Austria	Austria	1						
Bosch G.m.b.H.	Germany	1					1	
Biotechnologies Sector								
Biotechsol s.r.l.	Italy	1						





Relations with the stakeholders

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

Employees

SOL places great importance on the people working for the Group and contributing directly to the company's development.

Code of Ethics, art. 4 - Employee Policies

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

One of the means by which a company achieves strategic success is by maximizing value for its shareholders.

Code of Ethics, art. 2 - Conduct in the management of company business

The main tool used to communicate with the shareholders is the Financial Statement, which is published in the "Financial info" section of the corporate website www.sol.it.

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.

Communications with shareholders and investors also take place through:

- the periodic publication of press releases on the company website and their dissemination to institutional investors
- participation in conferences promoted by financial institutions
- meetings and conference calls with investors and analysts
- roadshows

In 2005 SOL's commitment and results in the field of Sustainability saw Sol S.p.A. listed on the Kempen "Social Responsible Investment" Index (SRI).

Being part of the SRI universe means that the company has gained recognition for going beyond the mere application of legislative requirements in the way it interacts with the communities in which it operates and in its commitment to its collaborators and the environment.



Suppliers

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

According to 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.

Customers

In our relations with our clients, we have always been committed to treating their problems as our own, to fully satisfying their requirements, and to working alongside them on specific goals to help them achieve the best possible overall results.

*Code of Ethics, art. 2 - Conduct
in the management of company business*

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

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

Authorities and Public Administration

In all relations with public authorities or public offices conducted by SOL employees, freelance workers and/or consultants working on behalf of the SOL Group, the principles of fairness, integrity and transparency must be followed.

*Code of Ethics, art. 2 - Conduct
in the management of company business*

The Group's activities involve frequent contact with the Authorities and with Public Administration in terms of both the management of authorisation processes and periodic checks on compliance with legislation.

With regards to the second of these aspects, in 2011 the Group Units were subjected of 49 days of auditing by the Authorities over safety, environmental and pharmaceutical GMPs.

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 GRI: S01 GRI: EC8

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, promoted in Italy by Federchimica, 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.

The “Open Day – 2011 Special” initiative, endorsed by Federchimica and the Ministry of Economic Development, assumed particular relevance as the year 2011, in the context of the decade dedicated to education as regards sustainable development, was named by the UN as the “International Year of Chemistry”.

SOL participated in the initiative with a particularly high-profile Open Day event organised at the Mantua plant.

Special guest of the initiative was Nobel Peace Prize winner Lech Walesa.

Two other “Open Days” were also organised in Mantua, this time in association with the other companies of the chemical industry park and at the SOL France Saint Savin plant.

The SOL Group supports bodies, institutions, associations and sport clubs that operate in accordance with its values, both through economic contributions and by making their expertise available.

In 2011 donations were done for over € 300,000.

Worth of mention projects include:

Italy: Both **SOL S.p.A.** and **Vivisol s.r.l.** make donations to various non-profit organisations in Italy.

In 2011 both companies supported the Piccolidiavoli3ruote non-profit organisation, organiser of the “1° Gran Premio HANDBIKE” event that was held at Parco di Monza and which involved 60 differently-abled athletes. The event also saw the promotion of the “Fortissimamente” book published by Vallardi.

SOL also made a donation to Aspen Institute Italia for the conference “The health of citizens and the challenge of sustainability”.



France: **BTG** participates in the “Chaire Handicaps, Dépendance et Citoyenneté” programme of the Catholic University of Lille.

Belgium: **Vivisol Belgio** supports the “Pinokkio” non-profit organisation that looks after children that have suffered burns, and the “Sleeponline” non-profit organisation, which carries out sleep research.

Austria: **Vivisol Austria** supports the ÖGP (Austrian pneumology association) “Chary Care Award”, which helps patients with economic problems.

The Netherlands: **NTG** supports Stichting NGO, which provides medical support during sporting events. **Vivisol Nederland** supports the “EOLUS” research project of the Medical Centre of the University of Groningen which, by remotely monitoring a sample of patients undergoing pulmonary ventilation, will make it possible to evaluate the possibility of domestic treatment. It also supports the “International Multicentre Pilot” project in association with Maastricht University Hospital, Rotterdam University Hospital and Policlinico Universitario di Padova.

Slovenia: **SPG** contributes to the upkeep of a children’s play area in the historic park of the city of Jesenice.

Macedonia: **TGS** participates in research projects with the Faculty of Mechanics of the University of St. Cyril and Metody in Skopje.



Associations

SOL actively participates in the work of the principle associations, which group together companies from the technical and medical gas sector in Europe and in various European countries.

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.

International Oxygen Manufacturers Association (IOMA)

SOL S.p.A. is a member of IOMA, whose chairman for 2010/2011 term was Aldo Fumagalli Romario.

European Industrial Gases Association (Eiga)

As well as SOL S.p.A., the companies of the NTG Group, BTG, TMG and Vivisol Austria are members of the EIGA.

As at 31.12.2011, there were Group representatives on the Board of EIGA, in three Councils, 6 Working Groups and 9 Adhoc Groups, contributing to the definition of standards and best practices in the sector.

National Associations

Group companies are members of various national associations, including:

- chemical industry associations: Federchimica (Italy), UIC (France), Essenscia (Belgium), VCI (Germany)
- technical gas industry associations: Assogastecnici (Italy - SOL S.p.A.), IGV (Germany - TMG), ÖIGV (Austria - SOLTG), VFIG (The Netherlands - NTG), BIMGA (Belgium - BTG), AFGC and APHARGAZ (France - SOL France), HAIMG (Greece - SOL Hellas), GIZTP (Slovenia - TPJ).
- associations for the development of biotechnologies: Assobiotec (Italy - Biotechsol)
- homecare sector operator associations: ZVSA (Germany - Vivisol Deutschland)
- other associations: ÖGP "Austrian pneumology association" (Austria - Vivisol Austria); Unamec "Association of producers, importers and distributors of medical devices" (Belgium - Vivisol Belgio), FHI "Dutch association for medical technology" (Germany - Vivisol Deutschland)

Aldo Fumagalli Romario, Chairman and CEO of SOL S.p.A., holds the office of Chairman of the Confindustria Sustainable Development Commission.

In this role he promoted the drafting of the "Environmental Sustainability Principles Charter", which in January 2012 was distributed to all Confindustria companies and associations for their signing on a voluntary basis.





Economic performance

The first 4 months of 2011 had a positive economic trend, whereas during the following months, a slowdown started that led, in some European countries, towards a period of recession.

Within the afore-mentioned context, we believe that the results achieved by the SOL Group during 2011 were positive.

Net sales generated by the SOL Group during 2011 reported satisfactory growth and amounted to Euro 555.7 million (+ 7.1% when compared with 2010).

More in detail, during 2011, the technical gas sector showed an increase in sales when compared with the previous year (+4.8%, for a turnover equating to Euro 340.6 million), with volumes on the increase in almost all the economic market sectors.

The most positive customer industries were food, chemistry-pharmaceutical and the environment, while the iron and mechanical industries showed less development.

The medicinal sector was characterized by good growth, as it is an activity that is not regulated by economic cycles compared to the industrial activity and with a constantly growing trend, especially from the services point of view.

The home-care business once again reported good growth, both in Italy and in foreign countries (+11.9% for a turnover equal to € 238.8 million) thanks to a continuous commitment in the development of new products and services that accompany and complete the oxygen treatment activities.

Cash flow amounted to Euro 97.0 million (17.5% of sales), up by Euro 4.5 million when compared with 2010 (equal to Euro 92.6 million).

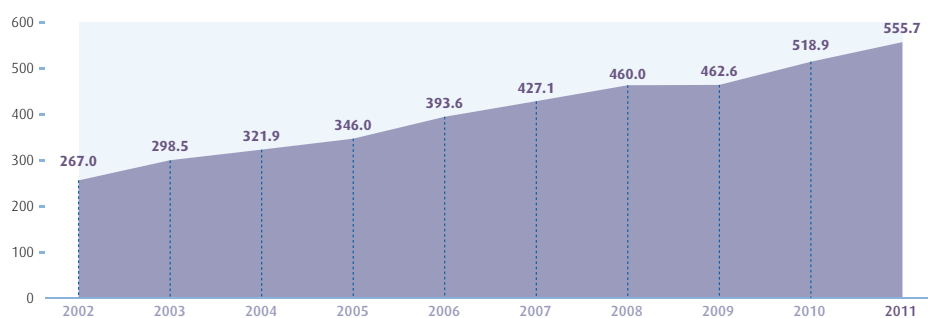
Capital expenditure recorded in the financial statements totalled Euro 84.7 million (Euro 62.1 million in 2010).



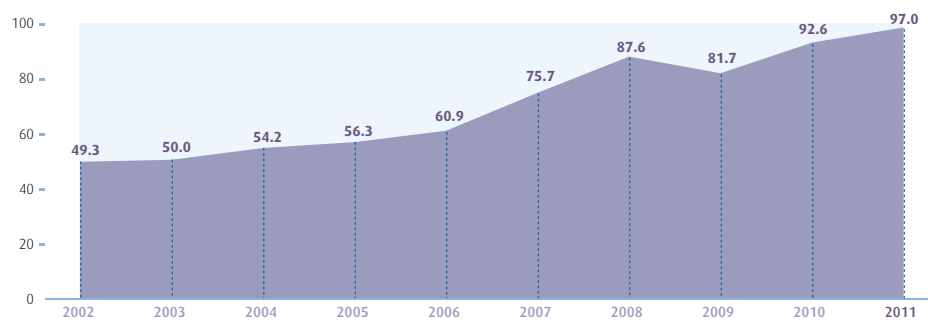
For all information on the Group's financial performance please refer to the Consolidated Financial Statements, published at www.sol.it.

All data are related to SOL Group **GRI: EC1**

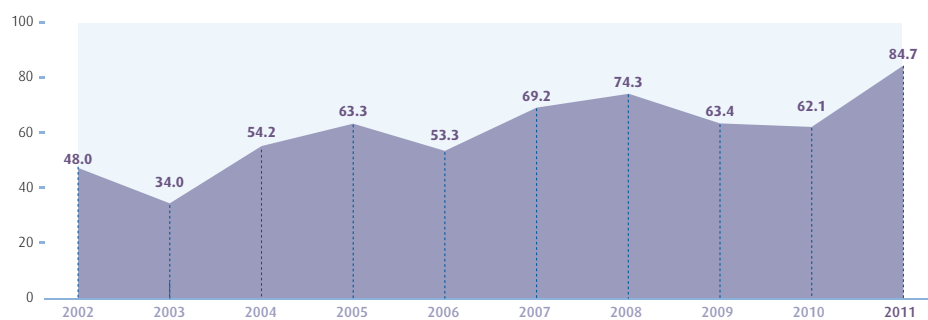
Revenue (CAGR 9%) (million euro)



Cash Flow (CAGR 8.9%) (million euro)

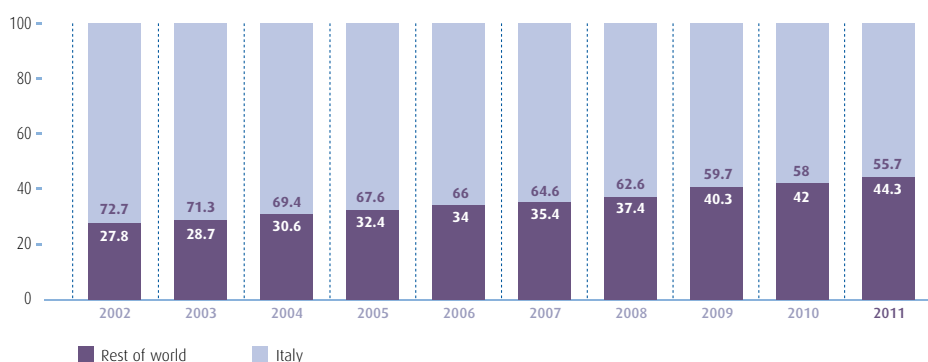


Investments at 31.12 (million euro)



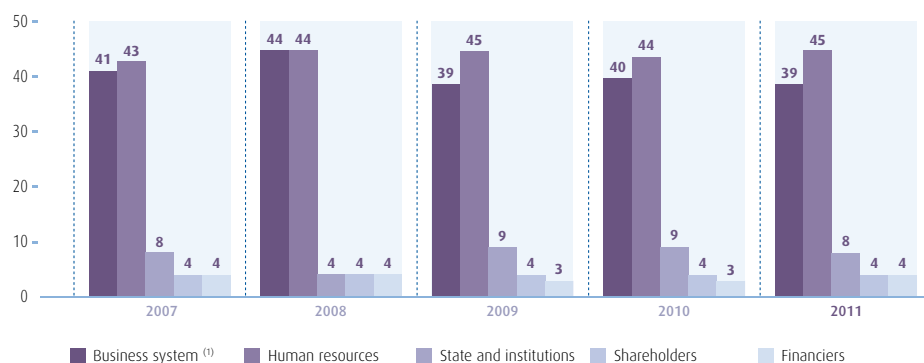


Revenue Italy/rest of world
(%)

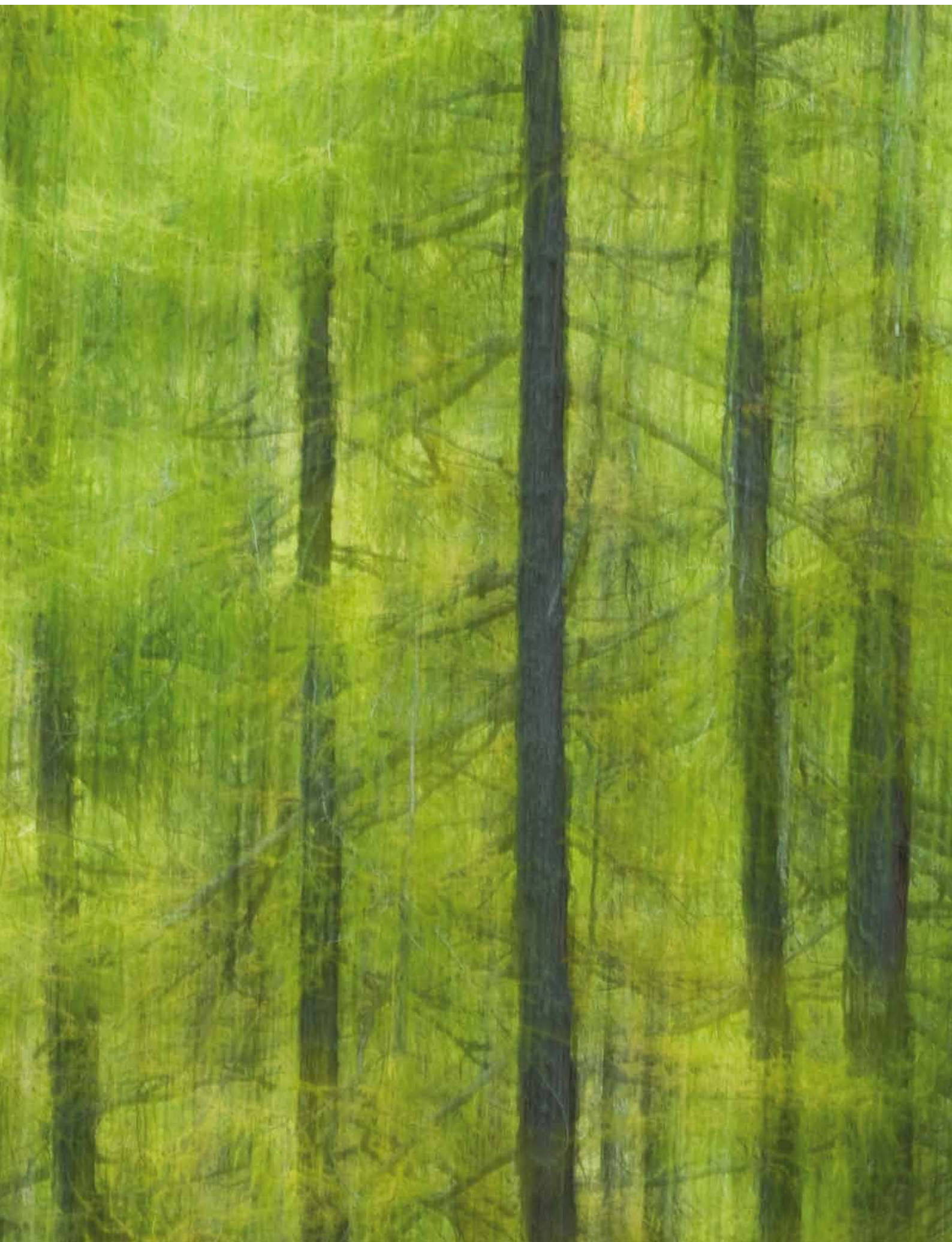


The distribution of value added makes it possible to express in monetary terms the relationship between the SOL Group and its main stakeholders.

Value added distribution
(%)



⁽¹⁾ Includes depreciations and amortisations and retained earnings





Environmental performance

When addressing environmental issues, the SOL Group adheres to the principles expressed in the Code of Ethics and the commitments undertaken in the “SOL Group Companies’ Safety and Environment Policy” (see the contents of the “System of Governance” section).

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

The impact is marginal with regard to activities that differ from those carried out by technical gas sector companies in their primary production plants

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.

Given these considerations, the Sustainability Report only includes quantitative environmental data regarding the Group’s primary production units.

The plants

The environmental indexes provided herein therefore concern the primary production plants of the technical gases sector, which are listed in the table below.

As far as Italy is concerned, these data are also sent to Federchimica every year and are used when drawing up the Responsible Care Report.

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

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

AIA ⁽¹⁾

The plant has Integrated Environmental Authorisation, falling within the IPPC field of application.













Certification ⁽²⁾

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).

Seveso Directive ⁽³⁾

The plant falls within the Directive 96/82/EC (“Seveso Directive”) field of application.



Company	Country	Unit	Plant type	AIA ⁽¹⁾	ISO 14001 ⁽²⁾	EMAS ⁽²⁾	OHSAS 18001 ⁽²⁾	Seveso Directive ⁽³⁾
SOL S.p.A.	Italy	Mantua	Air separation (ASU)					X
		Verona	Air separation (ASU)					X
		Cuneo	Air separation (ASU)	X				X
		Piombino	Air separation (ASU)					X
		Salerno	Air separation (ASU); Hydrogen production	X				X
		Ravenna	Hydrogen production	X				
		Cremona	Nitrous oxide production	X				X
		Ancona	Acetylene production	X				X
		Caserta	Nitrous oxide production	X				X
		Pisa	Gas cylinder filling unit					X
SPG	Slovenia	Jesenice	Air separation (ASU)					X
SOL France	France	Cergy Pontoise	Gas cylinder filling unit					X
		Saint Savin	Gas cylinder filling unit					X
SOL SpA Branch	Belgium	Feluy	Air separation (ASU)					X
SOL SpA Branch	Germany	Frankfurt	Air separation (ASU)					X
NTG	The Netherlands	Tillburg	Nitrous oxide production					X
UTP	Croatia	Pula	Acetylene production					
Kisikana	Croatia	Sisak	Air separation (ASU)					
SOL SEE	Republic of Macedonia	Kavadarci	Air separation (ASU)					
TGS	Republic of Macedonia	Bitola	Carbon dioxide production					
		Volkovo	Carbon dioxide production					
		Lotevro	Air separation (ASU)					
		George Petrov	Acetylene production					
TGP	Bosnia-Erzegovina	Petrovo	Carbon dioxide production					



Air separation unit

The process of separating air to produce oxygen, nitrogen and argon is a natural physics process. These processes involve high electricity consumption, as illustrated in detail below.

Environmental aspects: For the above reason, air separation plants emit negligible quantities of CO₂, sulphur oxides (SO_x) and nitrogen oxides (NO_x) and can be regarded as particularly compatible with the environment.

Hydrogen production units

These Units use natural gas and water in a chemical reaction that produces hydrogen.

Environmental aspects: The hydrogen production plants emit CO₂ and nitrogen oxides (NO_x).

Nitrous oxide production units

These units produce nitrous oxide through the dissociation of ammonium nitrate, solid or in a water solution.

Environmental aspects: Not significant.

Acetylene production units

Acetylene is produced through the decomposition of a solid (calcium carbide) using water.

Environmental aspects: The process produces hydrated lime, which is normally recycled for use in industry or agriculture.

Carbon dioxide production units

Carbon dioxide is a sub product of chemical plants or derives from natural underground deposits, and is purified and liquefied with the use of energy.

Environmental aspects: Carbon dioxide obtained in this way is reused in industrial applications, rather than being emitted into the atmosphere.

Units subject to I.P.P.C. and Integrated Environmental Authorisation

Some SOL S.p.A. units are subject to Italian Legislative Decree no. 59 of 18/02/2005 on Integrated Pollution Prevention and Control (I.P.P.C.), which is based on EU Council Directive 96/61/EC and regulates the issuance, renewal and review of Integrated Environmental Authorisation.

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



Energy resources GRI: EN3

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 activities carried out in the sector of energy production from renewable sources is further proof of the Group's commitment to protecting the environment.

The graphic outlines the trends as regards the quantities (Mwh) of electricity purchased, taking 2007 = 100 as a basis.

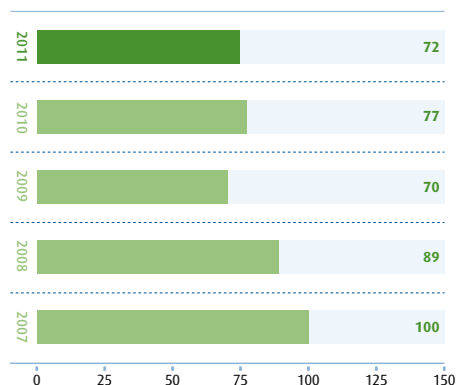
The lower quantities purchased in Italy are a result of the inferior quantities produced, which is connected to the performance of the market and a number of plant operations aimed at improving energy efficiency.

Also in 2011 it was possible to concentrate production at plants with lower specific consumption, thus encouraging a reduction in energy purchases.

The figure relating to other countries is in line with that of the previous year. The increase in purchases compared with the year of reference is largely down to the Frankfurt plant becoming fully operational in 2010.

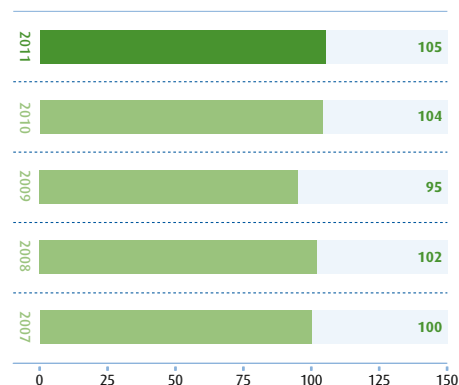
MWh of electricity purchased (Italy)

base 2007=100



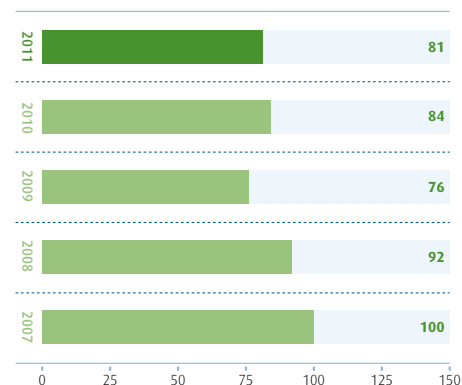
MWh of electricity purchased (Other Countries)

base 2007=100



MWh of electricity purchased (SOL Group)

base 2007=100





Transport GRI: EN29

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 efficiency 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.

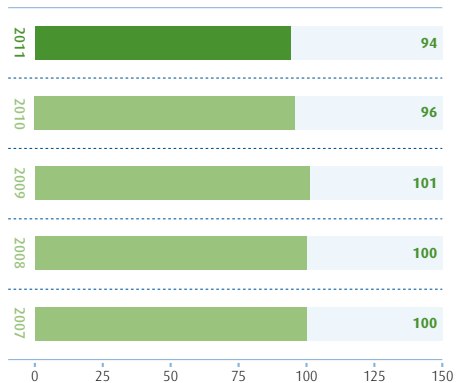
The graphic outlines the trend in the ratio between kilometres covered and units of transported product (m³/kg), taking 2007 = 100 as a basis.

Although influenced by the product and client mix, the data illustrate a reduction as of 2010 for Italy, also as a result of the introduction of the above-mentioned software for planning journeys.

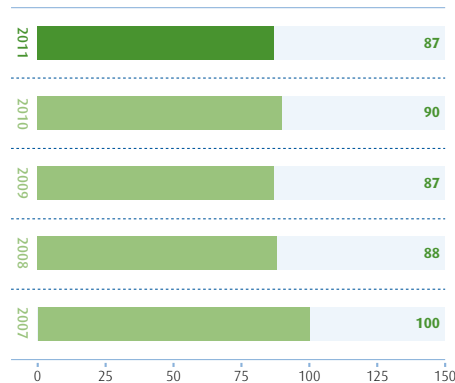
The reduction is just as substantial for the other countries, and is linked to the construction over the years of new production units that are closer to the customers.

Reducing the ratio – i.e. improving transport efficiency – has positive repercussions for the environment due to the lower CO₂ emissions per m³/kg of transported product.

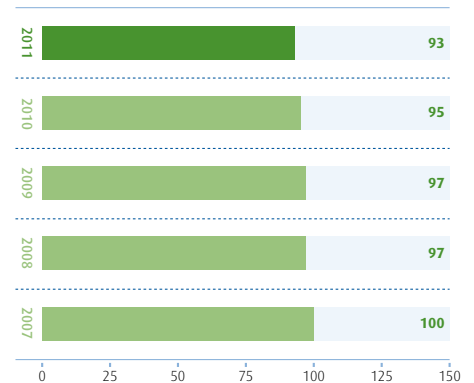
Relationship between km travelled and quantity of products transported (Italy)
base 2007=100 (mc/kg)



Relationship between km travelled and quantity of products transported (Other Countries)
base 2007=100 (mc/kg)



Relationship between km travelled and quantity of products transported (SOL Group)
base 2007=100 (mc/kg)





Acoustic emissions

Noise pollution 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 during the plant design phase by adopting 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 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.

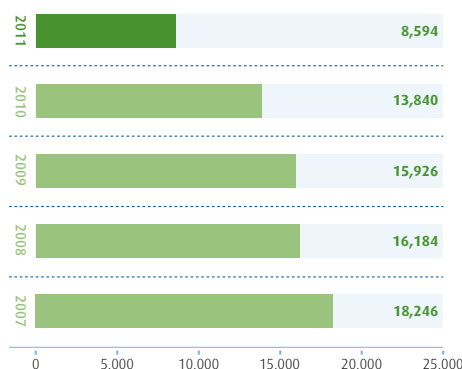
The company is nonetheless committed to continuously monitoring noise pollution levels and, where possible, reducing them further with new plant operations.

Atmospheric emissions GRI: EN20

Because of the types of production processes used there is no significant emission of nitrogen (NO_x) or sulphur (SO_x) based pollutants to the atmosphere.

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

Emissions of greenhouse gases (Italy)
(equivalent tCO_2/year)



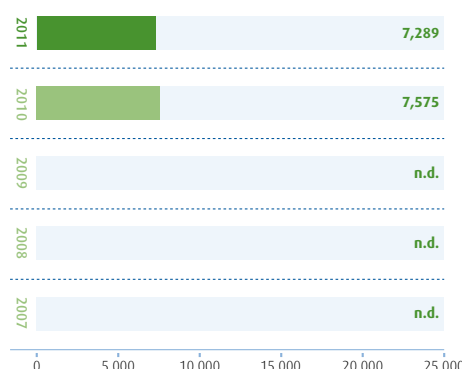
Greenhouse gases GRI: EN16

The emission of greenhouse gases consists of:

- carbon dioxide, a by-product in plants that produce hydrogen via the steam reforming of natural gas and released in plants that produce CO_2 from wells
- nitrous oxide, released in plants that produce N_2O from ammonium nitrate
- HFC (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.

Emissions of greenhouse gases (Other Countries)
(equivalent tCO_2/year)



The notable reduction in emissions (Italy) can be attributed to the reduction in hydrogen production and the reduction in HFC emissions following investments in and maintenance work on the refrigeration plants of the Salerno and Piombino Units.



Waste (tonnes/year) GRI: EN22

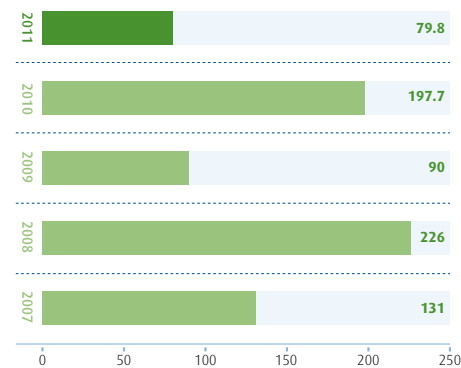
The production of waste consists of:

- waste deriving from maintenance activities, for the most part made up of iron scraps, packaging and insulating materials, normally classified as non-dangerous, but also exhaust oils previously used to lubricate machines and classified as dangerous.
- calcium hydrate, a by-product of acetylene production, and ammonia solution, a by-product of ammonia conditioning, both considered dangerous waste.

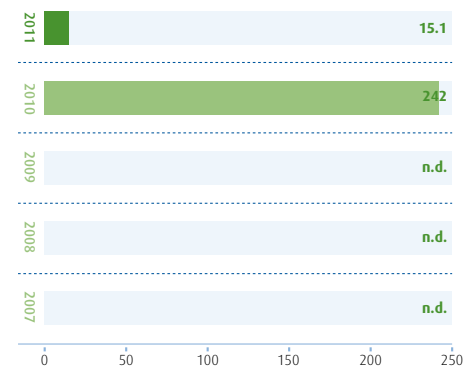
The overall amount of waste produced is modest and varies from one year to the next depending on the number and type of maintenance operations performed.

The only exception is the dangerous waste generated in “other countries”: this is calcium hydrate, which is generated in the acetylene production plants in Croatia and the Republic of Macedonia and sent directly for disposal, in contrast with what happens in Italy where it is sold as a by-product.

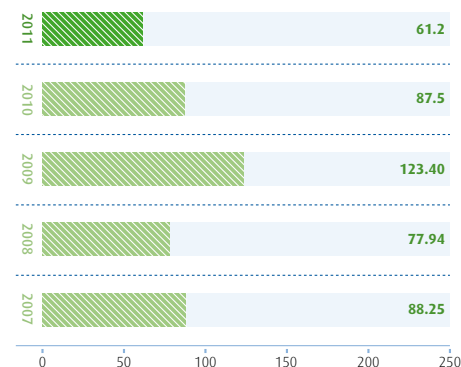
Non-dangerous waste (Italy) (tonnes/year)



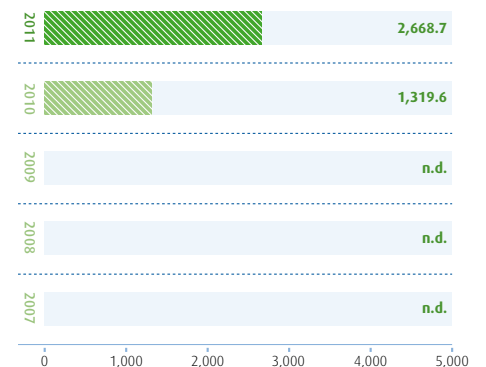
Non-dangerous waste (Other Countries) (tonnes/year)



Dangerous waste (Italy) (tonnes/year)

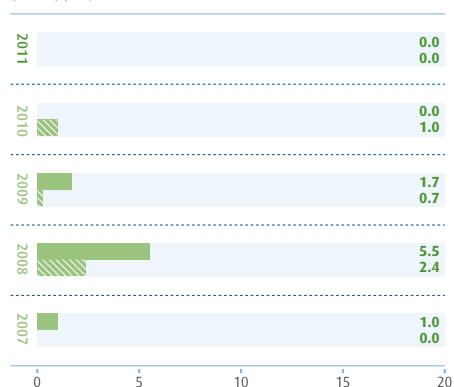


Dangerous waste (Other Countries) (tonnes/year)

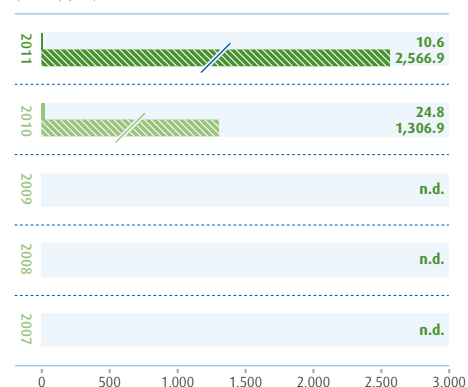


The waste produced is separated as follows:

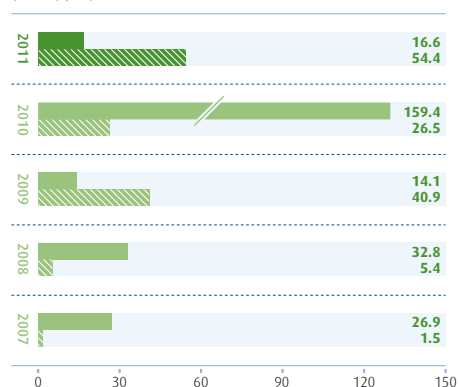
Landfill (Italy) (tonnes/year)



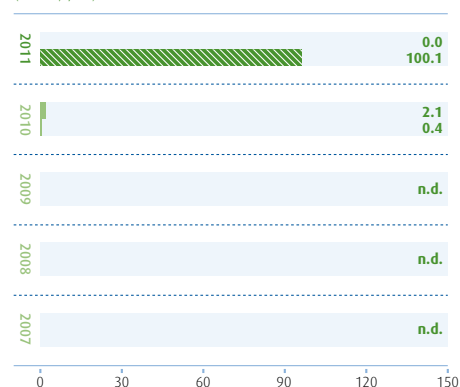
Landfill (Other Countries) (tonnes/year)



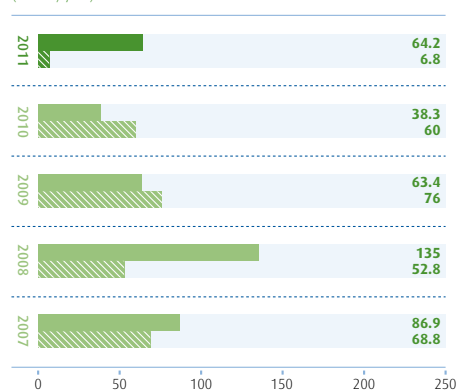
Treatment (Italy) (tonnes/year)



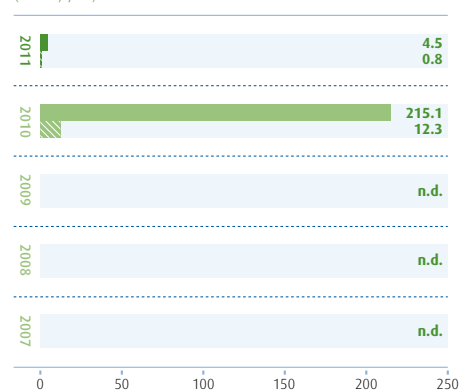
Treatment (Other Countries) (tonnes/year)



Recycled (Italy) (tonnes/year)



Recycled (Other Countries) (tonnes/year)



Non-dangerous

Dangerous



Water withdrawals (m³ x 10³) GRI: EN8

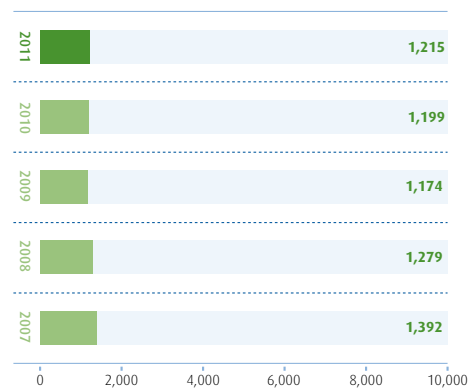
Water is mainly used in the refrigeration circuits of production plant machines.

In most plants the water is recycled, so consumption is mostly associated with replenishing the evaporated quantities.

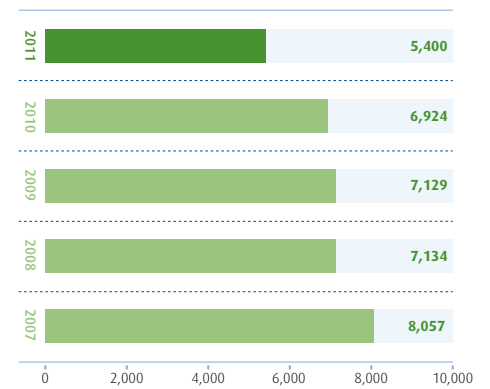
An exception to the rule are Skopje (Republic of Macedonia) and Sisak (Croatia) plants, which do not have recycling plants. This explains the relatively higher value of consumption shown in the “Other Countries” graphic.

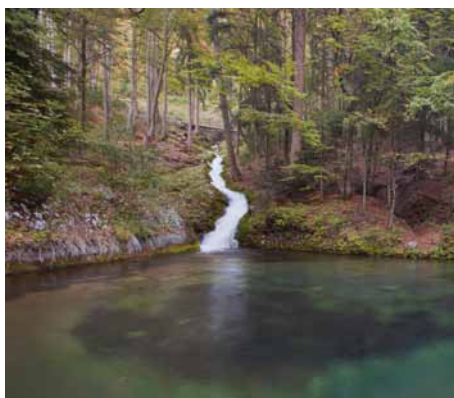
The reduction of withdrawals in “Other Countries” is a consequence of plant and management operations carried out in Skopje plant by TGS.

Water withdrawals (Italy)
(m³ x 10³)



Water withdrawals (Other Countries)
(m³ x 10³)





Water drainage (tonnes/year) GRI: EN21

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

Data collection is carried out systematically for the Italian Group plants and is currently being implemented for those of the other countries.

This is why the latter data are not shown in this report.

In any case, 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	Total nitrogen	Suspended solids	Total phosphorus	Heavy metals
2011	22.15	6.64	4.24	0.46	0.11
2010	10.45	3.83	7.69	0.88	0.10
2009	10.62	4.32	5.16	3.08	0.10
2008	6.50	2.62	3.97	0.78	0.29
2007	10.33	4.57	5.12	1.80	0.08



Soils and aquifers GRI: EN23

The production of oxygen, nitrogen and argon is carried out 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 being 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, or sent for disposal.

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.

Mantua

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

SOL took part in the annual “Established underground water monitoring campaign” promoted by the Mantua Regional Environmental Protection Agency (ARPA) also in 2011.

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 set up a piezometer on its land, and takes part in periodical monitoring campaigns.





Social performance

Human resources

SOL attributes maximum importance to those that work for the Group, directly and significantly contributing to the development of the company.

It is above all thanks to human resources that SOL is able to develop and improve on its performances.

Transparency, loyalty, impartiality, honesty, integrity, the continuous commitment to quality, the ongoing improvement of safety and respect for the environment are the key values that SOL finds and continually nurture in all its personnel.

Every SOL Group employee, whatever job they do and whatever kind of contract they have, is responsible for the tasks they have been assigned and must therefore be able, within the limits of their remit and in respect of the organisation, to take decisions and to work with a good level of independence in a strong and trusting relationship with the company.

In this respect SOL pledges to:

- develop the skills and expertise of their employees so that the efforts and creativity of each one can be maximised in order that they may be able to fulfil their potential, in accordance with the needs of the organisation;
 - maintain a strong bond between the holding company and the various subsidiaries, in the guise of a partnership;
 - encourage the exchange of information using increasingly widespread internal communications tools, thanks also to the use of modern IT technologies;
 - enhance human capital by sharing the main values that underpin the identity of the Group and integrating the diversities and best practices present within;
 - guarantee the psycho-physical integrity of all its collaborators, in line with their morals.
- In this respect the SOL Group is constantly committed to complying with national labour laws as well as international conventions and recommendations, including the resolutions of international organisations such as the ILO (International Labour Organization) and the United Nations.



SOL Group Employees

With regard to SOL Group personnel, below is some general data on the situation at 31.12.2011.

The few cases in which the data refer solely to the companies operating in Italy are duly signposted.

Employment trends

2011 has seen a major increase in staff, both in Italy and in the other Countries where the Group operates.

The overall increase over the previous year was 153 units (7.2%), in line with the increase in turnover during the same period.

Of the 153 units, 132 (10.5%) were related to non-Italian companies of the Group and 21 (+2.1%) to Italian Companies.

Turnover decreased by one percentage point over the previous year, confirming levels more than satisfactory.

Gestione delle diversità e andamento demografico

The graphs on the following page show the breakdown by gender, seniority and age of Group employees.

The percentage of women has steadily increased since 2007, reaching in 2011 about 30% of the total labor force.

Absenteeism GRI: LA7

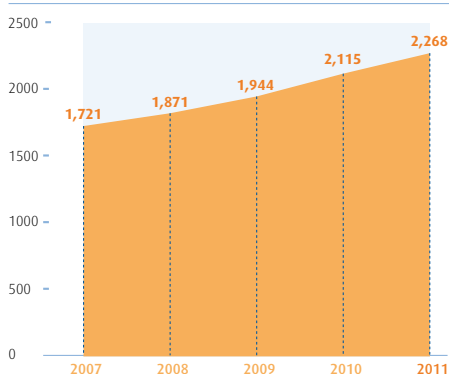
For years now SOL has recorded levels of absenteeism in Italy that are far below both the national averages for the sector and for the industry.

The 2011 figure for the Italian companies in the Group came to 3.5%.

This phenomenon is nonetheless also under control in the overseas companies and does not represent a critical factor.

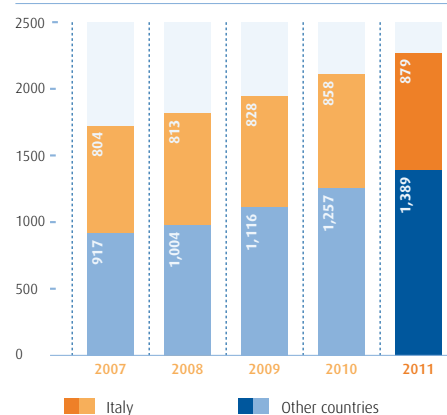
no. employees

GRI: LA1



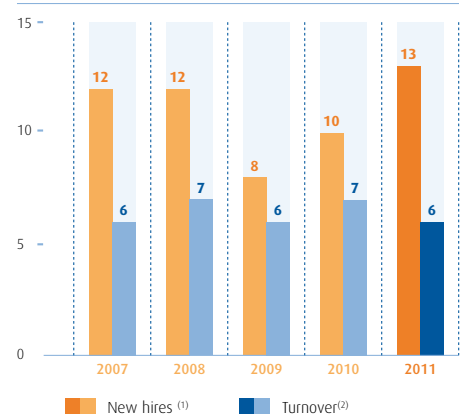
Geographical location
(no. employees)

GRI: LA1



Employment trends
(%)

GRI: LA2



⁽¹⁾ Calculated as the relationship between annual new hires and the average staff size that year.

⁽²⁾ Calculated as the relationship between annual staff departures and the average staff size that year.



Human resource management policies

As part of its human resource management policy, SOL operates with the goal of constantly developing the optimal management of its personnel through the combined use of a series of tools.

Compensation policies

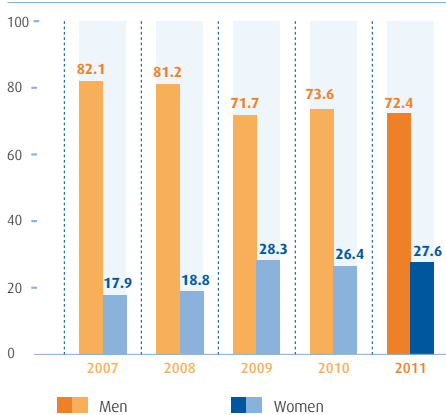
In its Group companies in Italy and abroad, SOL focuses great attention on the use of the lever of compensated development both at collective level (guaranteeing the increases established by the collective contracts in the sector where applied and negotiating additional contracts that may involve, as in Italy, production and participation bonuses related to corporate productivity and profitability parameter trends) and at individual level (merit policy and bonuses related to individual performances).

Supplementary pension plans GRI: EC1

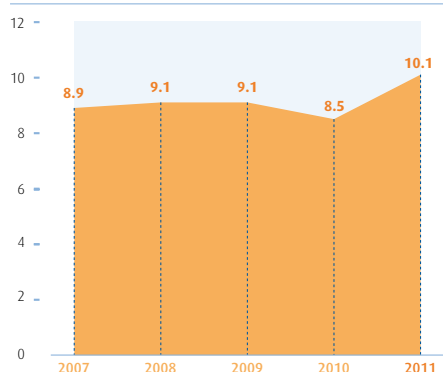
The SOL group applies the National Collective Labour Agreement (CCNL) for employees in the Chemical and Chemical-Pharmaceutical Industry to its Italian personnel involved in activities relating to technical gases and home-care.

This CCNL includes the “FONCHIM” pension fund (in which SOL participated immediately) which, with the joint contributions of employees and company, seeks to develop supplementary individual pension plans to the state pension. The number of employees in the Italian companies of the Group that have subscribed to the fund is quite high both because of the value of the initiative and the promotional and information-related activities carried out by the company during the hire phase and thereafter.

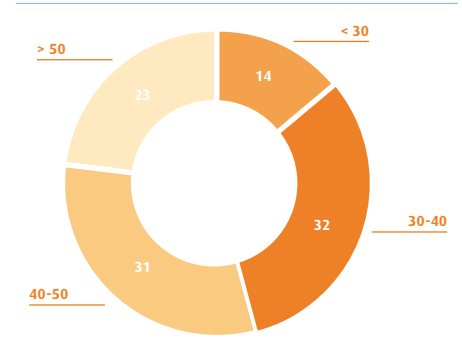
By gender
(%)



Years with company
Av. time with company (years)



Age ranges
(%)





In line with the various different practices in other European countries, many of the Group's subsidiaries make contributions to similar plans.

FONCHIM	N° iscritti medi	%	Importi a carico azienda
2011	569	77%	378,000
2010	570	77%	315,000
2009	572	80%	286,000
2008	569	81%	273,000
2007	546	79%	248,000

Supplementary health plans GRI: EC1

The supplementary health fund for the Chemical industry in Italy, "FASCHIM", also stems from the CCNL and was established more recently.

The chemical industry was one of the first to introduce such coverage, fully aware that the public health service will increasingly struggle to cover the healthcare needs of the people. The contributions are largely footed by the company. Employees can also register their families in the plan. The fund has certainly been a great success with subscription levels of around 80%.

FASCHIM	N° iscritti medi	%	Importi a carico azienda
2011	572	79%	156,000
2010	578	83%	153,000
2009	524	74%	159,000
2008 ⁽¹⁾	629	90%	134,000
2007	372	51%	60,000

⁽¹⁾ The Chemical Industry CCNL of 6 December 2007 established that all employees that had not yet subscribed to Faschim would be subscribed automatically and free of charge from 1 July 2008 to 30 June 2009, with the companies responsible for making all contributions.

Similar initiatives in this field have also been launched by the Group's main overseas companies.

Work-life balance

In line with technical and production organisational requirements, SOL is sensitive to the needs of employees to balance their working lives with personal and family commitments, even if of a temporary nature.

Indeed, SOL has introduced flexible working hours, is favourable to the concession of sabbaticals on request, even if they go beyond the provisions of the law or collective agreements, has successfully introduced telecommuting, has formalised its willingness to grant loans with favourable conditions and, above all, can boast part-time contracts that account for almost 6% of the group's average workforce.



Selection and talent attraction activities

In order to create a team of qualified and highly skilled professional people, the company places great importance on recruitment and selection activities.

In addition to the direct involvement of the central and local Human Resources department, SOL often exploits its contacts with the biggest universities, training centres, schools and professional associations, also participating in special recruitment events (“career fairs”) and publishing its profile in some of the biggest “career directories”.

Training and development activities GRI: LA8

Learning and training, in their widest sense, are an integral part of the SOL Group culture. For this reason the SOL Group companies place great emphasis on the training and/or personnel development activities organised at both technical training and managerial level.

At SOL we believe that the drive that enables us to improve our professional skills must come from within: it must stem from our curiosity, from the determination with which we take on new challenges, from our desire to learn and embrace the new.

In this context, in our Group priority is given to training “in the field” with constant job shadowing provided by more expert colleagues.

Aside from technical training and security-related training, every year HR Head Office organises or coordinates special training programmes, with an international profile, dedicated to understanding the company and its culture:

- Orientation Meetings: meetings attended by new hires from all Group companies, during which the Group and its activities are presented. In 2011 three meetings were held, one of which in Italy, one in Belgium and one in Austria, for a total of 44 participants
- in-depth study of foreign languages (in particular English, the language used in communications among the Group companies)
- development of both talented youngsters and those who have been at the company for longer: international “Fly High” programme, which in 2011 involved the participation of 64 people and training courses for Country Managers on the management and motivation of staff.

Particular attention is also focused on management training programmes dedicated to figures that have a degree of responsibility in terms of managing resources in the Group companies.



Below is a summary of the figures relating to some of the training activities carried out in Italy in 2011 and directly coordinated by the HR Head Office.

	Hours of training	Participants	Outside Italy
Training of new hires	3,280	41	n.d.
New hire meetings (Orientation Meetings)	3,520	44	30
"Fly High" Programme (talent)	7,928	64	22
Management training	160	10	6
Coaching	28	9	n.d.
Languages	270	25	n.d.

Industrial relations

Through its Personnel and Legal Affairs Head Office, SOL guarantees the management of Industrial Relations for all Italian Group companies and coordinates those of the overseas companies, intervening where necessary.

SOL is an active member of the sector employees' federation (Federchimica) and participates in the negotiations for the renewal of the National Collective Labour Agreement (CCNL) and in other common initiatives regarding the social stakeholders.

At a corporate level, it has periodic relations with its SOL union representatives, which are geared towards maximum collaboration and transparency, and it negotiates a company contract which, as established at national level, seeks to reward objective improvements in productivity and profitability.



Compliance with the law is a top priority for SOL and all its employees.

SOL has an enduring commitment to the protection of the environment and to ensuring health and safety in the workplace.

Code of Ethics, art. 5 - Health, safety and environmental protection

Health and safety in the workplace

The protection of the health and safety of its human resources are basic and inalienable values for SOL. They are based on the ethical vision of the workplace that guides day-to-day activities within SOL and its subsidiaries.

Organisation

The relevance of this issue led to the creation in 2005, as part of the Quality, Safety and Environment Head Office, of a specific Head Office for all Group companies that have the task of managing activities to protect:

- people: health, injury prevention and workplace hygiene;
- company assets: fire prevention, safety of plants and environmental hygiene;
- the administrative responsibility of the company pursuant to Leg. Decree no. 213/01: corporate management system for health and safety issues, compliant with BS OHSAS 18001.

This Office defines action areas, checking their application and coordinating the actions of the Units and the other Head Offices.

In every Group company 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.

In 2011, a “Safety and Environment Reference Person (SERP)” was unequivocally identified for every company in the Technical Gases Sector. This person:

- is the main contact person for all communications related to safety and the environment
- is responsible for their dissemination in each individual company and subsequent training activities
- participates in periodic training and experience sharing meetings

Seveso Directive

Because of the types of gas they produce and the amounts they have in storage, seventeen of the Group Units are subject to the 96/82/EC Directive (“Seveso Directive”), implemented in Italy with Italian Legislative Decree no. 334/01.

It affects the Italian plants in Piombino and Mantua (art. 8) and in Cremona, Cuneo, Salerno, Ancona, Marcianise, Verona and Pisa (art. 6), as well as those in Feluy (Belgium), Frankfurt, Gersthofen and Krefeld (Germany), Cergy Pontoise and Saint Savin (France), Tillburg (The Netherlands) and Jesenice (Slovenia).

Directive 96/82/EC 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 (three in 2011 – in Italy, the Netherlands and France), all of which have concluded with a positive outcome.



Training and awareness GRI: LA10

The training of employees is key for 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 Head 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 (in Italian and English) of:

- the “Safety Alerts”, documents which, taking events that have occurred in the sector as a starting point, encourage respect for correct codes of conduct;
- the “Quarterly Accident Report”, which illustrate and analyse the most serious accidents to have occurred during the period in the Group and in other companies in the sector that form part of Assogastecnici and EIGA.

Training on safety topics

In 2011, the Italian Group companies held 567 training meetings, with the participation of 3,392 people, for a total of 8,041 hours.

Training on environmental topics

The Italian Group companies held 129 training meetings during 2011, with 963 people attending for a total of 2,422 hours.

Auditing

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 2011, a total of 15 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 as per the reference regulations (ISO 9001, ISO 14001, OHSAS 18001, EMAS etc.).

In 2011, SOL's operations were subject to 87 days of external auditing by certification body Certiquality.

Injury indexes GRI: LA7

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.

In 2011 the injury frequency and severity indexes (lost time injuries: injuries that resulted in absence from the workplace for at least a day, excluding the day of the accident itself) came to 6.8 and 108.4 respectively, with Italy's figures coming to 6.8 and 80.3.

Both indexes show an increase compared with the previous year, even though they are in line with the average figures of the 5-year period 2007-2011.

With regard the Italy, however, the severity index has decreased compared with the previous year, confirming that the injuries that took place were attributable to episodes of a modest scale.

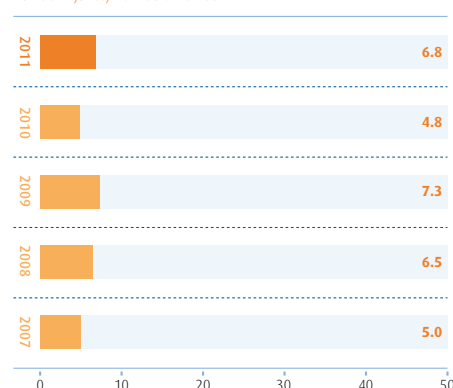
The value of the frequency index concerning Italy is in any case equal to around 80% of that of the chemical industry (as reported by INAIL, which however considers injuries that result in over 3 days of absence of work, as opposed to SOL, who count those injuries leading to more than single day off work) which, in turn, is equal to around 50% of the average value recorded in the manufacturing industry.

As of this year, the indexes relating to countries where at least 100 employees operate have also been included.

The indexes for these countries show a positive trend in France and Macedonia, while the increases registered in Germany, the Netherlands and Belgium are a result of non-serious injuries and can be attributed to misfortune and a lack of attention on the part of operators.

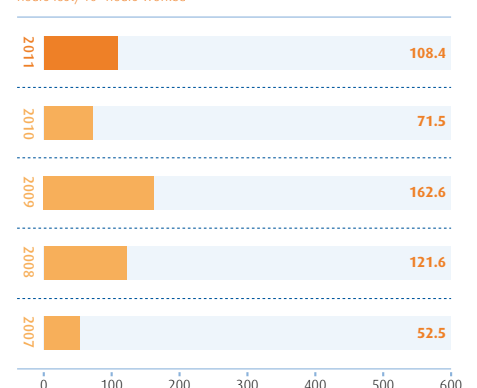
Frequency index (SOL Group)

number injuries/10⁶ hours worked



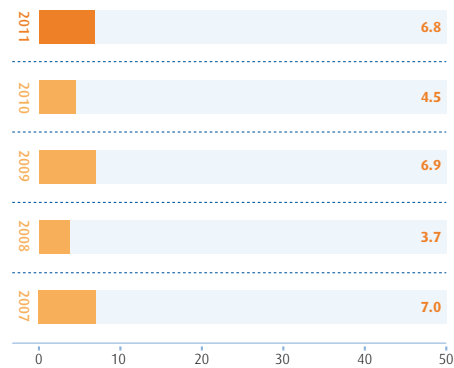
Severity index (SOL Group)

hours lost/10⁶ hours worked



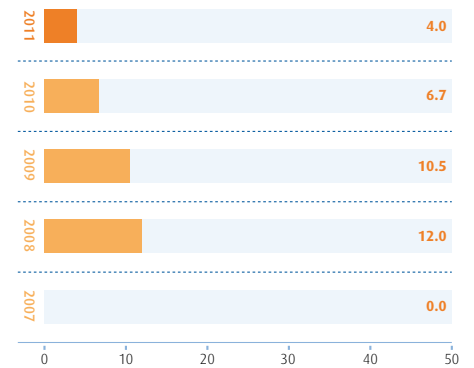
Frequency index (Italy)

number injuries/10⁶ hours worked



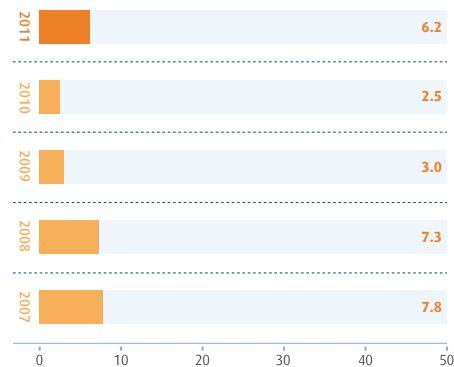
Frequency index (France)

number injuries/10⁶ hours worked



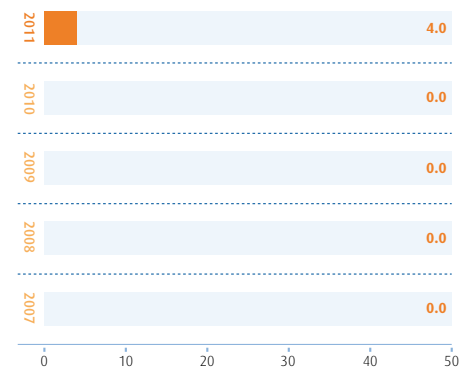
Frequency index (Germany)

number injuries/10⁶ hours worked



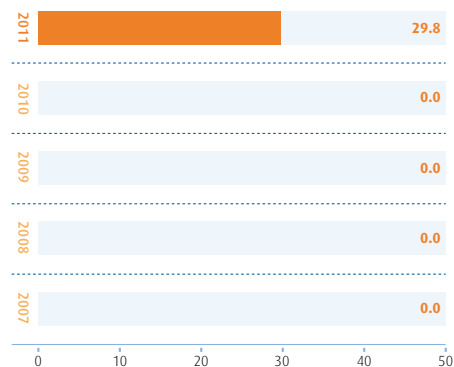
Frequency index (Netherlands)

number injuries/10⁶ hours worked



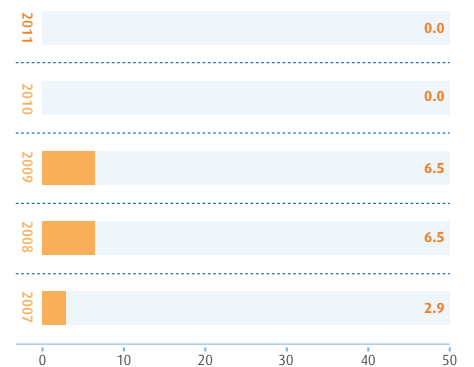
Frequency index (Belgium)

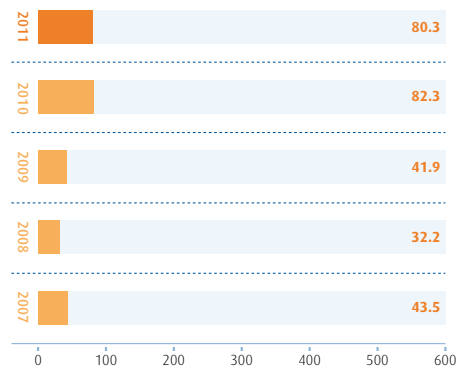
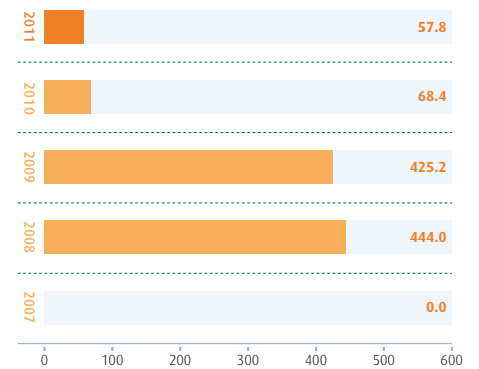
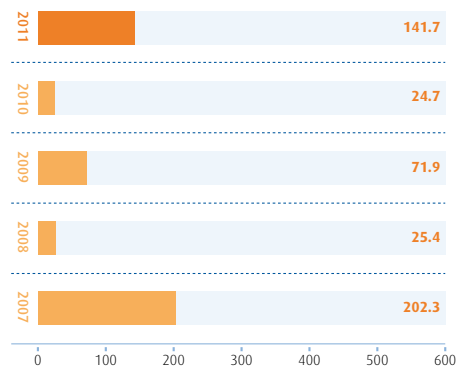
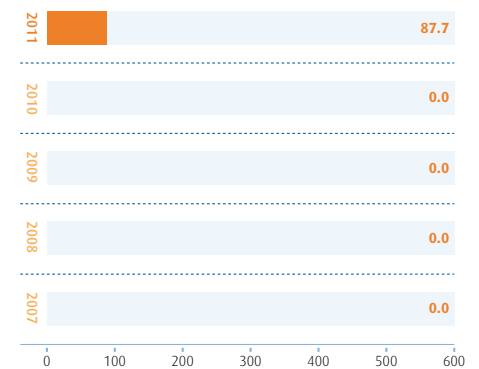
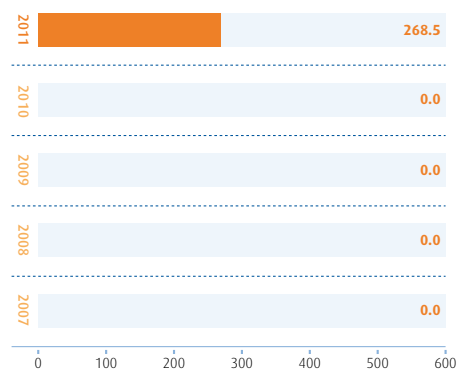
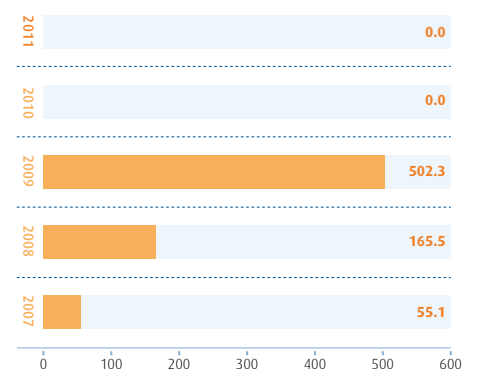
number injuries/10⁶ hours worked



Frequency index (Republic of Macedonia)

number injuries/10⁶ hours worked



Severity index (Italy)hours lost/10⁶ hours worked**Severity index (France)**hours lost/10⁶ hours worked**Severity index (Germany)**hours lost/10⁶ hours worked**Severity index (Netherlands)**hours lost/10⁶ hours worked**Severity index (Belgium)**hours lost/10⁶ hours worked**Severity index (Republic of Macedonia)**hours lost/10⁶ hours worked



Employee health GRI: LA7

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

Moreover, in order to maximise the quality of the check-ups in complex companies such as SOL S.p.A. and Vivisol s.r.l., these companies have appointed a head company OHD who establishes guidelines and monitors the health protocols adopted by local OHDs.

In 2011 health monitoring at the two aforementioned companies involved:

- medical check-ups: 354 employees
- clinical analysis: 230 employees
- supplementary examinations (ECGs, spirometry, audiometry, etc.): 197 employees

The results of the check-ups revealed 16 cases of pathologies connected with the company's activities, mainly the manual movement of loads.

There were also 3 positive cases of the use of psychotropic substances and drugs.

There is no evidence of any cases of professional illness.

For 2012 the goal is to extend these checks to the other Group companies.

Product safety

In 2011 the activities to review the safety data sheets of all substances for all companies operating in the European Union continued.

This activity began in 2010 after the Classification, Labelling and Packaging (CLP) regulations regarding the European standardisation of the classification and labelling of substances and dangerous preparations, came into effect.

The labels put on mobile containers were likewise reviewed.

With regard to REACH, the Company registered the lime (by-product in the production of acetylene).

The other substances subject to pre-registration (acetylene, nitrous oxide and calcium carbide) will be registered starting in 2013, as they are produced or imported in quantities lower than the limit of 1,000 t/year.

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.





Glossary

Accident: chance event that may potentially lead to injuries or cause damages to objects.

Audit: systematic, independent and documented process for objectively assessing the extent to which the reference management criteria have been met.

BS OHSAS 18001: international standard issued by the British Standard Institute that establishes the requirements that a health and safety management system must have. It allows an organisation to know the risks resulting from operations in normal and extraordinary conditions and keep them under control, and to improve its safety performance.

Cylinder: container made of steel or light alloy suitable for containing compressed, liquefied or dissolved gases.

Cylinder basket: steel structure that contains several vertical cylinders, normally from 8 to 16 cylinders, to facilitate the simultaneous handling of the cylinders using normal forklift trucks.

Cylinder bundle: set of cylinders connected to each other and supported by a metal structure. A single manifold contains the individual outlets of the cylinders. Policy (Quality, Safety, Environment): General principles and guidelines of an organisation, expressed in a formal manner by top management.

Conditioning: production activity consisting in withdrawing the gas from a secondary storage tank and compressing it in the gaseous or liquid state and putting it into mobile containers. Conditioning also includes the sequence of operations that are carried out on the containers from the time they arrive at the centre until the storage of the containers that are full and ready for delivery.

Cold converter: container with insulated vacuum air space for containing highly refrigerated liquefied cryogenic gases complete with interception, measurement and safety instruments.

Air separation: process of separating gases making up the air by distillation, obtaining both liquid and gas products.

Eco-Management and Audit Scheme (EMAS):

EU regulation 761/2001. It is a voluntary tool for implementing the EU Environmental Policy aimed at the continued improvement of the environmental performances by the companies and enterprises that adopt them.

Food safety: the concept that food will not cause damage to the consumer if prepared according to its intended use.

Frequency index: relationship between number of injuries and hours worked, multiplied by 1,000,000. It is the measurement of the frequency of accidents occurring.

Global Reporting Initiative (GRI): a multi-stakeholder network, set up in 1997 and made up of businesses, NGOs, expert accountancy firms, enterprises and other international stakeholders active in the areas relating to Corporate Social Responsibility. The mission of the GRI is to develop, supply and promote global guidelines for the drafting of Social Reports that describe the economic, environmental and social impacts that businesses and organisations generate through their activities.

Injury: undesired event that leads to body lesions or diseases objectively verifiable during work.

Integrated Pollution Prevention and Control (IPPC): Strategy established with Directive 96/61/EC for the purpose of minimising the pollution caused by the various sources located throughout the EU. It envisages the need to obtain integrated authorisations from the authorities of the various countries for all types of plants listed in Annex 1 of the Directive. It is founded on the assumption that failure to adopt a common approach for controlling emissions into the atmosphere, water and soil may transfer pollution from one sector to another rather than lead to its reduction.

ISO 50001 standard (Energy Management):

an international standard designed to help organisations to improve their performances in the energy sector, increasing energy efficiency and reducing the impact on the climate and on the environment.

Major accident: event such as an emission, fire or explosion of a serious nature as a result of uncontrolled developments that occur during activities where dangerous substances are present, which can cause serious danger to human health or the environment.

Medical gas: every medication made up of one or more active gas substances mixed or not mixed with gaseous excipient.

Means of sale: technical and technological products purchased by third parties and given to the Client for use within the scope of a service, but intended to remain the property of SOL such as, for example, mobile containers, cold converters, etc.

Medical device (MD): any instrument, apparatus, equipment, machine, device, system, in vitro or calibration reagent, computer software, material or other similar or correlated product to be used alone or in combination in man for one or more specific diagnosis, prevention, control, treatment or attenuation of a disease purposes; for diagnosis, control, treatment, attenuation or compensation of an injury or handicap purposes; for study, replacement or modification of the anatomy or physiological process purposes; for intervening on conception and whose main desired action in or on the human body is not achieved with pharmacological or immunological means or through metabolism, but whose function can be assisted by these means.

Mobile container: container for compressed, liquefied, melted and cryogenic gases used for handling products. Cylinders, drums, gas cylinders, cylinder bundles, dewars, base units and portable units are all mobile containers.

Primary production units: Units where there are plants that produce gases starting with raw materials.

Primary storage: tank of liquefied cryogenic gas supplied directly by the production plant.

Quality, Safety and Environment Management System (QSE/MS): the part of the overall management system that includes the organisational structure, planning activities, the responsibilities, procedures, processes and resources for processing, implementing and maintaining the established quality, safety and/or environmental policies.

Raw materials - Primary production units: 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.

REACH: EC regulation no. 1907/2006 (Registration, Evaluation, Authorization and Restriction of Chemicals). Its main purpose is to improve the awareness of dangers and risks caused by chemical substances, with the aim of reaching a high level of protection of human health and of the environment.

Responsible Care: voluntary programme of the international Chemical Industry based on the implementation of principles and behaviour regarding the Health and Safety of Employees and Environmental Protection, and the commitment to reporting the results attained in the context of continuous, significant and tangible improvement.

Secondary production units: Units where the gases are conditioned, usually using the gases coming from the primary production units in the physical state (which can be compressed gas or cryogenic liquid) and in the containers (tankers, tanker bundles, drums or tanks) best suited for their distribution to end users. Mixtures of pure and high purity gases are also produced in some units.

Secondary storage: tank of liquefied cryogenic gas supplied by tankers and normally installed at the conditioning centres.

Seveso Directive (EEC/82/501 and subsequent amendments): European standard for preventing and controlling the risk of major accidents occurring. It regulates industrial activities that involve the possession and/or use of given quantities of dangerous substances.

Severity index: relationship between number of days of absence due to injury and hours worked, multiplied by 1,000,000. It is the measurement of the severity of injuries.

Sustainability: (see sustainable development):

Sustainable development: is that which allows current economic, environmental and social needs to be met without jeopardising the possibilities for future generations to meet their own needs.

Stakeholders: indicates all categories of private or public, individual or collective, internal or external parties that can affect the success of an enterprise or that are impacted by the enterprise's decisions: clients, suppliers, investors, local communities, employees, trade unions, public administration, future generations, etc.

Steam reforming: process in which natural gas reacts with steam when there is a catalyst to produce hydrogen and CO₂.

UNI EN ISO 14001 standard (Environmental Management): International standard that establishes the requirements that an environmental management system must have. It allows an organisation to know the activities that have a significant environmental impact and to keep them under control, and to improve its environmental performance.

UNI EN ISO 13485 standard (Medical devices - Quality management systems): International standard that aims to maximise the probability that organisations that work in the medical devices sector satisfy international legal requirements regarding quality management and that they therefore supply safe and effective medical devices.

UNI EN ISO 22000 standard (Food Safety Management Systems): International standard that defines the requirements of a safety and food hygiene management system.

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May 2012

Design by
M Studio, Milano

Photographs by
Renato Cerisola

Printed on woodfree ecological paper

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