

Sustainable by Nature



The social and environmental sustainability of a company's activity should be an integral part of its business model: not a mandate or a constraint, but a true strategic opportunity. For a company like Eurotech this is a stated ambition, and the natural evolution of a corporate mission that has always had innovation at its core. No surprise then that since November 2009 Eurotech have entered the United Nations' Global Compact, a program that promotes social responsibility so that companies can contribute to the solution of the challenges set by globalization. Eurotech, a multinational company based in Amaro near the city of Udine in the Northeast of Italy, has already started a number of different initiatives that all share a common theme: efficiency. "Pervasive and widespread usage of computers plays a fundamental role in making our planet greener", says Roberto Siagri, Eurotech chairman and chief executive officer. "If we want to make our equipment and our infrastructure more

Continued on page 8

«READY FOR A STEP FORWARD»

“In the end, running a business means taking part in the creation of a better world”. Roberto Siagri, chairman and chief executive officer of Eurotech, insists that the company he manages is based first and foremost on sustainability. “From boards to systems, from ready-to-use products to data management solutions”, he says, “Eurotech helps reduce and optimize the use of energy, space and materials in industrial and service activities”. At the same time, he says, the company has always been “committed to acting ethically towards all stakeholders”, while promoting “equal opportunity and the absence of discrimination of any sort” for its employees. Nor does Eurotech forget it is “part of a community” for whose development it has worked by “supporting culture, education and sports” as well as “humanitarian initiatives to help communities far away from our own.” And that's just a starting point: “We are proud of our results”, Siagri says, “and we are sure we have put in place the proper organizational structure, initiatives and future plans to keep our commitments for the coming years”.

Roberto Siagri,
President and CEO



Smart Products With a High-Tech Heart

Computers are getting greener and can form the basis of ever more environmentally sustainable technological solutions. That's the concept driving Eurotech strategy, and it can be found in a range of products used in many systems and infrastructures. A high-tech heart made in Eurotech is embedded in the Seattle subway, in the trains in the Boston area, in the Boeing 737 business jets, and in the electronic toll gates on Tokyo highways. Applications as diverse as low-energy usage buildings and MRI scanners have a common feature: they all rely on solutions from the Italian company. The top of Eurotech's "green offering" is "Aurora", a high-efficiency supercomputing architecture that allows significant energy savings for the same performance. To get an idea of how important an innovation it is, consider that a computing center with two Aurora-based cabinets would have a peak computational power of 160,000 billion operations per second and that it would save 50% energy compared with traditional servers. Over 5 years this would save 5.7 million kilowatt-hour, for a saving on the electricity bill of 1.2 million Euros at current prices.



EUR



Do More. Consume Less

Green by nature, sustainable by strategic choice – those keywords of environmental policy are everyday tenets at Eurotech, where they have always been coherent with the company's business goals. "Being green means doing more while consuming less," says Andrea Barbaro, Investor Relations Manager and Strategic Planning Analyst: "Less space, less matter, less energy. An if you look at the evolution of technology, you see that this is the direction where it is going". This trend, says Barbaro, "is macroscopically evident, and with an exponential acceleration, in digital technologies, those that have to do with computing and communication. Those are precisely the technologies that gave birth to Eurotech, that are part of our DNA and that are to this day in our vision". Those digital technologies are after all the key element in making every infrastructure more efficient: they are embedded more and more in the real world and they are becoming an ever more invisible but essential aid to our daily lives. An unseen army of digital servants, jokes Barbaro, performing "a number of actions that may seem trivial but are necessary to make a structure efficient". He explains that "to make a production plant, a logistical system or a building more efficient, you have to make it smarter. That means on the one hand to make it aware of the resources it is using and on the other to make it use those resources optimally". In other words, "to make an infrastructure smart you have to fill it with computers", and that's where digital technologies meet sustainability, for the entire economy and for an entire society. Of course, the computers that will become the brains of the infrastructure must be designed according to the same sustainable criteria: they must be the fastest possible while taking up the least possible space

and consuming the least possible amount of matter and energy. That's something that gets taken seriously at Eurotech, whose products often top the low-consumption and efficiency rankings. For example, Barbaro explains, "we make sure our boards that can be used as the controlling brains for 'smart building' systems are the world's best in terms of consumption. And that's considering real-world usage conditions". The company's most recent innovations are also based on the connection between technology and sustainability. That is the case with cloud computing, which centralizes server infrastructure and makes it available to the highest possible number of users. Eurotech was among the earliest proponents of the cloud-based approach, which allows, Barbaro notes, to "saturate an infrastructure much better than one could do with a distributed system", thus keeping waste to a minimum. The overarching need is to favor a true culture of innovation, to foster the perception that technology is a friend, not merely a series of clever inventions but a fundamental part of what makes society work. Sadly this kind of vision "can sometimes be lacking in Italy". Yet it's the basic tenet of life at Eurotech, whose philosophy Barbaro sums up as "using digital technologies to create environment-friendly products that make infrastructure efficient and sustainable". That "is not something we do alongside our core business; it is our core business. We employ state-of-the-art digital technologies for computing and communication to make 'green' products that can make infrastructures more 'green' ". That sounds a simple philosophy, in the end. Very simple, yet very ambitious: "What we try to accomplish with our everyday work," says Barbaro, "is to give our contribution to the effective use of digital technologies so that you can really create a better world."



Andrea Barbaro,
Investor Relations
Manager and
Strategic Planning
Analyst



Talent, Research, Innovation



Ideas are the lifeblood of innovation, and research is the fertile ground where good ideas can flourish and turn into actual projects. Eurotech has always been convinced of this and has always invested on research and on a close relationship with universities. Since 2006 research activities and collaborations have gone through ETH Lab, a company 100% owned by Eurotech and dedicated solely to this goal. Eurotech after all invests around 15% of its revenue and dedicates more than 30% of group employees to research and development. “Research and innovation at Eurotech”, says Antonio Abramo, managing director of ETH Lab, “is a link between the pure research at universities and the industrial

world. Sort of like an internal venture capital enterprise that explores every technology, every methodology, every new idea and design strategy, and tries to channel them towards solutions that can become one day part of the Eurotech product lineup”.

ETH Lab is intentionally kept separate from the company's ongoing business as its research activities, to be successful, need to be independent from any short-term, market-oriented vision. Abramo, who also teaches at the University of Udine, says the percentage of success of research is “natively” in a range between 2 and 5 percent: “Only two to five projects out of a hundred that I could think of carrying on as Eurotech will have success” and make it to the production stage. “It's a process that goes from many ideas to a few successful pro-

ducts”. That is why Abramo thinks it is fundamental to multiply the number of ideas to start with, and to invest time and resources in their discussion and refinement. Keeping a close relationship with universities is important, “not to exploit it but to make the best possible use of it” and to build a relationship that will be beneficial to both partners: “Universities get a first-rate technology partner focused on innovation and able to point to strategic directions that can maximize the value of research. And Eurotech gets a shot of knowledge and innovation”, says Abramo. This also brings a relationship with the young, whom Eurotech considers very important because of their intellectual approach: “From a strictly operational point of view”, says Abramo, “it is essential that the innovation process go through fresh minds that are better able to see beyond what has already been done”. One of the most important initiatives started by Eurotech to foster this exchange is The Talent Factory, a two-year training course for recent graduates from all over the world, who can “present an idea they think can succeed and try to realize it.” Abramo says the goal is on the one hand to “turn the workplace into a stimulating environment for recent graduates” who will be able to “add value to their education in terms of technology and marketing”, and on the other hand to give Eurotech the chance of developing some of those ideas into products, and possibly make an offer of employment to some of the course participants.

“There have been many initiatives of this kind, in Italy and elsewhere”, says Abramo, “but often they are too focused on a personal level. The Talent Factory doesn't just take ideas, but participates in their development while offering training and guidance, and asking participants to embrace the company's vision, methodology and strategic thinking”. The company's international presence adds another element of value. Italy has interesting peculiarities, but strong innovation processes require looking at a global horizon spanning several nations and indeed continents. “The experience of international travel and an openness to change are key elements of our approach at The Talent Factory. This is a time of great changes and we are trying to give young people a breadth of knowledge and experience that they may struggle to find elsewhere.”

International Focus with Roots in the Community

A multinational corporation solidly rooted in the Mountain Community of Friuli, in the Northeast of Italy. That is not a contradiction. It may well be one of the secrets behind the success of Eurotech, a company based in the small town of Amaro, near Udine, and that has now 455 employees in Europe, the United States, and Japan. Cristiana della Zonca, the company's head of Corporate Communication, sums it up: "We were born from the dream that we could be a great international company while being based in a peripheral area. We are deep in the northeastern mountains, 20 miles from Austria and a few more from Slovenia". What makes it possible for a company to be simultaneously global and local is first and foremost the evolution of technology: "thanks to digital highways, it is possible to be both physically remote and central to our business". Yet, the relationship with the community where a company is based is no less important than the focus on international markets. Della Zonca says that "for this community it is surely important to have a company like this one, and we know that we are an important part of it, as we should be. This is one of the things in which we have always invested". The idea has been, from the beginning, to help the community by creating a culture of innovation that would give young people the chance to grow up "with more opportunities and a more open mind than you could expect from a remote area".

This investment in culture was made knowing as well that, for a company based on research and development, being surrounded by a dynamic intellectual environment that's open to interactions is a very valuable asset. The most evident effect of Eurotech's presence, underlines della Zonca, is "the creation of some satellite, complementary workplaces". "Fortunately, northeastern Italy has excellent schools and universities", continues della Zonca, "and that me-

ans we can find employees with top educations and students who are well prepared for the challenges of a hi-tech company." Eurotech also invests in technology, giving advanced tools to kindergartens, schools and universities. "We do it", says again della Zonca, "because we think that technology will be more and more a fundamental part of life and we think that to be used at its best, and to avoid its dangers, it should be introduced from an early age".

Initiatives go beyond education, to change positively the entire context around the lives of Eurotech employees. The company funds local museums and cultural initiatives ranging from theater and cinema to exhibitions. Sports sponsorships, from the Pontebba ice hockey team that plays in Italy's First Division to soccer schools for children and employee sports clubs, are another big area of intervention. Della Zonca says that "we operate on the basis of a very American concept here, that investing in sports means investing in people's health." Another idea that Eurotech supports is the notion of work-life balance. The company is especially open to the use of technology in this area, because "it allows us to connect people even if they live far away. We offer telecommuting and remote working as a company policy, so we can employ top-notch people even if they aren't always able to be physically in the office." The company's international presence is another value-added factor: "We are able to draw on, and disseminate, the best practices from every continent". A common feature of all these programs is that Eurotech isn't looking for short-term visibility through big events, but prefers to invest in value for the community. "Eurotech is the product of a dream," della Zonca reiterates, "and one of our company mantras is that you have to try, because you'll never succeed if you don't." That sounds very much like another idea borrowed from America, and Euro-



Cristiana della Zonca,
Head of Corporate Communication

tech follows that mantra by supporting those who come knocking with a project, looking for a partner. As a consequence Eurotech's involvement ranges from sponsoring an explorer traveling alone to the North Pole, to start-ups born around one cool idea, to local NGOs and charities that reach out to help overseas. According to della Zonca, this is how the corporation thinks at all levels: "Eurotech believes in people and in their ideas, and that's what's driving all of our initiatives. As a company we look for high quality standards in all we do, including when we give. And that's how we happen to get a lot as well."

From Employees to Suppliers, a Responsible Strategy

“Eurotech has a strong ethics foundation. If there’s something I was especially pleased to find at this company, it is surely its ethical way of doing business.” Isabella Oriani, group head of Global Human Capital, says the company she works for is very much able to make business principles and goals coexist with human values. The most evident sign of this approach is the participation in the United Nations’ Global Compact program. “The program”, explains Oriani, “brings together corporations, government institutions and civil society. The idea behind it is to team together to make sure that businesses are focused on supporting human rights and workers’ rights, safeguarding the environment, and fighting corruption. It was created as an initiative for large actors only, but it has rapidly expanded because so many had an interest in it. Success has been enormous, and today participants range from big multinationals to small law firms. The Global Compact is a sort of compass for all those who are looking for ways to act ethically while doing business.” And it was, for Eurotech, also an opportunity to get a sense of the good work already done: “Many things have always been perfectly normal for us and are reflected in how we normally do business. So we were pleased to see that we had already implemented some of the program’s suggestions”, recalls Oriani.

That may be positive, but it isn’t enough, and the company is pursuing greater results. Eurotech wants to build on past successes to make sustainability into one of its fundamental strategic pillars. In this view, one of the focus areas is the quality of the professional and personal life of employees. “We are very serious about making sure that all of our 455 employees around the globe feel like they are part of the same world,” Oriani says. “Eurotech wants to be a lot more than a sum of companies. We try to increasingly promote the operational integration of our companies, also through the diffusion of a global corporate culture. We had a round of Awareness Days, as we call them, in which we explained to each and everybody who we are and what we want to accomplish. We’re likely going to do that again this year.” Another project is an Intranet-based way of exchanging information and establishing contact with fel-

low Eurotech employees around the world, through a “professional ID card” for each employee, and visible to each employee. Oriani explains that “today every Eurotech employee can look on the Intranet for someone to get advice from, or with whom to exchange ideas on a given subject.” This way, “being part of Eurotech is a chance for personal growth for everybody. Employees can access not only their office mates, but hundreds of people who have ideas and suggestions on a given topic.”

Oriani herself is a proof of the company’s attention to employee needs. She lives in Copenhagen, Denmark, and spends two to three days every two weeks in Italy, besides traveling around the world as needed. Not just a case of Eurotech’s respect for work-life balance, but also “a case of company ethics as well”, she says. “When I began working for Eurotech, the fact that I was living in Copenhagen was a non-problem,” Oriani recalls, “not least because there was a mutual trust.” And being able to have a flexible schedule is “more and more a key factor in a world where you always need to move and decide fast.”

Every aspect of corporate social responsibility will from now on be part of a cooperation project with The Natural Step, a non-governmental organization. “They are helping us reflect in a very practical way on how we can move forward projects that can make us more sustainable both environmentally and from a social responsibility point of view. The idea is to have very precise guidelines on the sustainability principles we want to follow and come up with projects that help the world and help Eurotech,” Oriani explains. “And what we found out,” she adds, “is that when you take this issue very seriously there is an alignment between corporate interests and the interests of the environment and society. Sustainability becomes the guide for decisions that will benefit the business, not a mandate or a worry.” A step in this direction has been the extension of social responsibility concepts to the entire value chain that Eurotech is a part of. “We are beginning to look at how our suppliers are working and we’re looking at things like the maximum recyclability of our products. Our challenge for the coming years is to make sure that everything we do is sustainable at every step.”

Conquering the North Pole

Making a dream come true is the idea behind the very origin of Eurotech. Today, helping people realize their projects and their ideas is a major commitment for the company, and another aspect of its way of dealing with sustainability issues. One of the more intriguing, difficult and adventurous challenges that Eurotech has sponsored lately is the polar quest of Michele Pontrandolfo, an explorer from Friuli – the same Italian region where the company is headquartered – who is trying to reach the North Pole alone, on foot. A prohibitive endeavour that Pontrandolfo, born in Pordenone in 1971, has already tried twice, both times being forced to retreat by adverse weather. Yet he is not giving

up, and neither is Eurotech, which has confirmed its support. Pontrandolfo has recently been received by Italian president Giorgio Napolitano, who gave him a flag to plant at the North Pole. Eurotech has added its own flag, so that also a small piece of the company may reach the extreme North. Pontrandolfo became in 2009 the first Italian to reach the magnetic North Pole, alone on foot and without any external support, using skis and a sled. His goal is now to complete his palmares by adding the geographic North Pole, the imaginary point where the Earth's axis meets the surface of the planet. Before him, Italians have tried five other times. The first was in 1899 the Duke of the Abruzzi, who tried to get to 90

degrees North latitude on a ship, the "Stella Polare" (Pole Star), but was forced to retreat. Umberto Cagni, hired by the Duke himself, also failed but beat, by reaching 86'33" latitude, the record set by the Norwegian Fridtjof Nansen. Umberto Nobile overflew the Pole twice in a dirigible, in 1926 and 1928; Guido Monzino made it in 1971 together with Mirko Minuzzo, Rinaldo Carrel and Arturo Aranda. The last two expeditions were attempted by Ambrogio Fogar in 1982 and Reinhold Messner in 1995: both were forced to turn back. Yet every failed attempt only makes the adventure more fascinating and fuels the determination of men like Pontrandolfo, who choose to keep fighting and pursuing their dream.



Michele Pontrandolfo in the snowy lands of the North. In the picture above, the explorer checks his Eurotech wrist computer

With the Legendary Alpini for the Afghan People

Supporting the 8th Regiment of Italian Army's Alpine Troops, stationed in Afghanistan in a very peaceful pursuit: helping local populations better their living conditions in the area around Bala Murghab. This is the goal of a project called "Un ponte per Herat" (A Bridge to Herat), organized by the municipal administration of Cividale del Friuli together with the local chapter of the National Association of Alpine Troops. This initiative has the aim of raising funds from Northeastern Italian communities to help build infrastructure in Afghanistan, according to priorities set in consultation with village leaders and local communities. Eurotech is among the companies involved in supporting and promoting the project, helping bring value to the operation. Just as Eurotech has its roots in Friuli

but is acting on a global stage, "Un ponte per Herat" is a project with a local base but an international scope, with the goal of creating a link between communities rather than just bringing aid. The project's goals include the building and enlargement of schools in the Bala Murghab area and the building of a contagious disease ward for the Herat hospital, helping the Afghan population and local institutions know that they are not alone in facing that country's hardships, and that they can be involved in the reconstruction. The project's goals have been chosen thinking about long-term investment in the future of Afghanistan, within the larger goal set for the country by the international community: to promote the development of Afghanistan's own resources, so that it can be a full member of the world community.



Sustainable by Nature

Follows from the first

environment-friendly, we have to make them smarter, which means maximizing their productive efficiency to minimize their resource consumption." Eurotech supports the Rio Declaration on environment and development, and in order to create solutions consistent with these goals it leverages on the activities of ETH Lab, its subsidiary fully dedicated to research. Since 2007, ETH Lab has been cooperating with the University of Bologna to develop devices that can absorb the energy dispersed by sources of vibration and radio frequency. It is also a part of the "END - Models, Solutions, Methods and Tools for Energy-Aware Design" project, funded by the European Commission to develop technologies powered by renewable sources. Moreover, the entire Eurotech focused in 2009 and 2010 on developing products that can minimize resource consumption. Those included the company's own interpretation of cloud computing; "Aurora", a supercomputing architecture capable of superior efficiency thanks to liquid cooling; and the "Catalyst" family of computer boards, with power consumption among the lowest in its category.

But company's responsibility is also towards society, and Eurotech wants to be at the forefront here as well, defending

human rights and the rights of workers, and supporting the communities in which it operates. As a company Eurotech promotes positive-impact social initiatives, including cooperation between management, academia and schools, to help teach technology, transfer know-how, and promote entrepreneurship.

At the group level Eurotech has also started initiatives involving its 450 employees in Europe, the US and Asia. Those include the creation of a "professional ID card" and the observance of specific days dedicated to the company's vision, culture and strategy, so that all employees can avail themselves of the opportunities offered to help them achieve their goals. The goal for 2011 is to expand the company's sphere of influence, by including the respect of human rights and workers' rights among the criteria for the selection of suppliers. All these goals are going to be part of a comprehensive project undertaken with The Natural Step, a non-governmental organization, called "Eurotech Sustainability Management: A Step Further". Beginning in March 2011, the project will integrate social and environmental sustainability with the company's business model: Eurotech is ready for another step forward..