

ENVIRONMENTAL REPORT 2015

1. PRESENTATION

A TLC, global leader in the telecommunications market, develops, manufactures and markets advanced and high performance network and carrier solutions.

Aethra® Telecommunications is the commercial brand used by A TLC srl, established in 2009 after the acquisition of the telecommunication business of Aethra spa partly by the company **ab medica**, now ab medica Holding.

Innovation and research are the core of Aethra® Telecommunications' approach to the market. The company, based in Ancona and with about 70 employees (65% in technical areas, R&D/Engineering/Product MNGM/Validation), focuses on solutions entirely designed in Italy and relies on more than 40 years' experience in telecommunications. The broadband CPE product portfolio includes all the access network technologies (copper, fibre, mobile) and fits a wide range of application scenarios. Aethra® Telecommunications products are designed to provide advanced and cost-effective solutions to Small/Medium Enterprises as well as branch offices of large Corporations, ensuring a high flexible and scalable field deployment and absolute reliability (as proved by the installed base of CPEs approaching 500k units). The CPE product lines are complemented by a set of solutions to help carriers delivering NGANs, by offering either copper-based remote powering systems for FTTCab architectures or complete solutions for the upcoming FTTdP scenarios. Moreover, the synergy among the companies of the ab medica Group allows Aethra® Telecommunications in adopting profitably its own design skills in new technological scenarios, committing itself both in system development for vertical solutions (e.g, M2M in Telemedicine) and financed research activities aimed to high potential market segments.

The legal office is in Rome, via Giovanni Battista Martini 2; the operating plant is in Ancona, via 1° Maggio 26; the warehouse is in Osimo (AN), via Crespi 36A.

MISSION

Design, produce and market high performance access devices and customized solutions for Telecom Operators and System Integrators.

VISION

Support Telecom Operators in the implementation of Next Generation Networks, especially in the SOHO/SMB (Small Office Home Office – Small Medium Business) segments, offering a complete line of reliable, advanced and affordable solutions.

VALUES

A TLC leading values are stated in the company Ethical Code, published in the intranet for the workers and in the website for all other stakeholders.

Further information are available in the updated company profile, that can be found in the company website.

2. INTEGRATED COMPANY POLICY FOR QUALITY, ENVIRONMENT, HEALTH AND SAFETY

The A TLC management, addressing the general principles of ab medica holding SpA group, intends to operate for the sustainability and the achievement of the expectations of its customers and all stakeholders, recognizing as fundamental value the environment protection and people's health and safety.

According to this, A TLC is committed to implement and maintain an integrated Management System for Quality, Environment and Safety, based on the following key points:

1. LEGAL COMPLIANCE

Guarantee the compliance with laws, regulations, technical standards and other agreements applicable to corporate processes, products and services, with special reference to workers' health and safety, to environmental protection and other relevant aspects of social responsibility.

2. CONTINUAL IMPROVEMENT

Pursue the continual improvement of performances and the efficiency of processes related to the company management systems, according to the needs and expectations of all stakeholders, keeping an active system for planning the objectives, monitoring them and communicate the results.

3. PERSONNEL INVOLVMENT AND DEVELOPMENT

Foster the satisfaction of the personnel through a continuous process of development, in terms of competence, training, information, awareness and active involvement, both in each specific operative field and in environment and safety topics.

4. CUSTOMER SATISFACTION

Focus everyone's effort on the Customer, understanding his needs and expectations, providing him with informative and technical support during all stages of the relationship, verifying at the end the achieved level of satisfaction.

5. TECHNOLOGICAL INNOVATION

Pursue the continuous innovation of products and processes, assuring the marketing of products characterized by a high quality and technological level, through the implementation of advanced test procedures, together with ecological excellence, including "design for environment" specifications in R&D procedures.

6. REDUCTION OF ENVIRONMENTAL IMPACTS AND POLLUTION PREVENTION

Reduce any environmental impact of products and activities, prevent the pollution, control the use of water, energy and natural resources, optimize the waste management and monitor fuel consumption and gas emissions due to products transportation.

7. REDUCTION OF RISKS AND SAFETY PREVENTION

Reduce any risk of injury, industrial accident and illness for workers, contractors and all stakeholders, with special reference to electrical safety, handling of loads, use of tools, plant systems maintenance, ergonomics and microclimate of workspaces.

8. SUPPLIERS INVOLVMENT

Establish the relationship with its suppliers on the basis of corporate social responsibility principles, selecting them according to quality and environmental, social and economic sustainability criteria, involving them effectively in the common commitment towards the excellence of products and services.



3. ENVIRONMENTAL MANAGEMENT SYSTEM

A TLC Environmental Management System (EMS) has been developed basing from Aethra heritage, whose first steps started in 1998.

Hereby follow the main milestones of its evolution:

1999	Aethra spa	Execution of the initial environmental review Issue of the first Environmental Report
2000	Aethra spa	First internal audit First management review
2005	Aethra spa	Achievement of ISO 14001 certification (1996 edition)
2006	Aethra spa	Achievement of ISO 14001 certification (2004 edition)
2010	A TLC srl	Achievement of ISO 14001 certification (2004 edition)
2015	A TLC srl	Start reviewing of the EMS according to the new ISO 14001: 2015

A TLC Environmental Management System is integrated with the Quality Management System (ISO 9001: 2008 certified) and with the Health & Safety Management System based on the standard BS OHSAS 18001: 2007 (implemented but not yet certified by a third part body).

A TLC Environmental Management System covers the following environmental aspects:

- use of water and energy
- use of raw materials
- wastes management
- package management
- plant systems maintenance
- design for environment

The operational control of each environmental aspect represents the basis of the whole EMS and is described in a specific Procedure, which includes the following topics:

- operating criteria
- responsibilities
- performance monitoring
- non conformity management
- emergency preparedness and response

4. ENVIRONMENTAL OBJECTIVES

According to the company policy and strategic guidelines, during year 2015 A TLC has positively carried out the following programs:

- **LEGISLATIVE CONFORMITY**
 - extension of SISTRI implementation to the warehouse (management system for waste traceability)
 - implementation of the organizational model according to Legislative Decree n° 231/2001
 - monitoring of ROHS II Directive exemptions

- **CONTINUAL IMPROVEMENT**
 - start of the review of the environmental management system according to the new reference standard UNI EN ISO 14001: 2015
 - implementation of 8D methodology for problem solving management

- **PEOPLE INVOLVMENT AND PERSONNEL DEVELOPMENT**
 - training of the managers about the new standard revision UNI EN ISO 14001: 2015
 - cooperation with schools and educational institutions (stages, bachelor's and PhD's thesis, visits of students)

- **REDUCTION OF ENVIRONMENTAL IMPACTS AND POLLUTION PREVENTION**
 - adhesion to the energy saving event "M'illumino di meno" with an initiative of internal sensibilization
 - new procedures and documentation of the environmental management system following the implementation of the new heating installation in the warehouse
 - implementation of "eco-toilets" (special cotton towels and soap foam)
 - monitoring of paper use in the offices
 - control of energy impacts and F-gas in the new air conditioning system in the Test and Calibration Labs

- **REDUCTION OF RISKS AND SAFETY PREVENTION**
 - new heating installation in the warehouse
 - external assessment of the Health and Safety management system
 - work stations ergonomy (new ergonomic chairs for workers)
 - new air conditioning system in the Test and Calibration Labs (microclimate)

- **SUPPLIERS INVOLVEMENT**
 - quality, environment and safety audit of the manufacturing partners (both Italian and foreign)

5. ENVIRONMENTAL PERFORMANCES

The main environmental performances achieved in year 2015 (compared to those in years 2014 and 2013) are shown in the following tables, together with some remarks useful for a correct interpretation of the data.

RAW MATERIALS

Raw Material	2013	2014	2015	2015vs2014
ABS	35.295	35.353	28.037	-20,7%
CARTON	27.529	29.124	27.279	-6,3%
WOOD	21.581	23.065	19.596	-15,0%
STEEL	4.581	6.665	16.890	153,4%
PRINTED BOARD	14.450	15.013	15.769	5,0%
PAPER	8.485	8.485	5.908	-30,4%
PLASTIC	1.658	2.246	2.941	30,9%
POLYCARBONATE	962	1.343	1.036	-22,9%
TIN	1.375	1.383	1.009	-27,1%
POLYETHYLENE	2	0	743	-
CARTENE	609	599	464	-22,5%
ALLUMINIUM	1.308	1.897	192	-89,9%
RUBBER	278	235	190	-19,0%
NYLON	39	51	36	-29,1%
POLYESTER	28	39	27	-30,2%
TOTAL	118.178	125.498	120.118	-4,3%

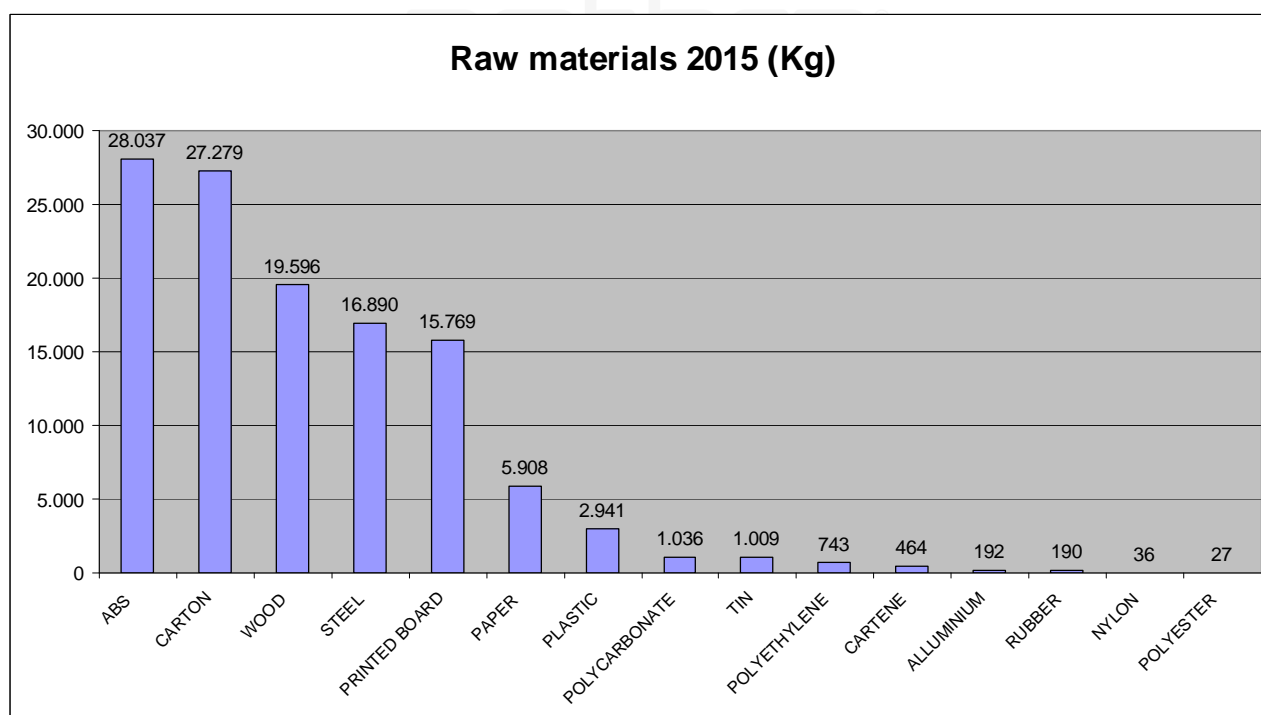
The main contribution is represented by: plastic and metal materials (product box and cabinet), carton and wood (packaging), printed electronic circuits, paper (user manuals).

The medium decrease of raw materials in year 2015 vs 2014 is proportional to the decrease of production in the same period.

The increase of metal materials (steel and aluminium) and the decrease of ABS is confirmed, due to the launch of new products rack mounted.

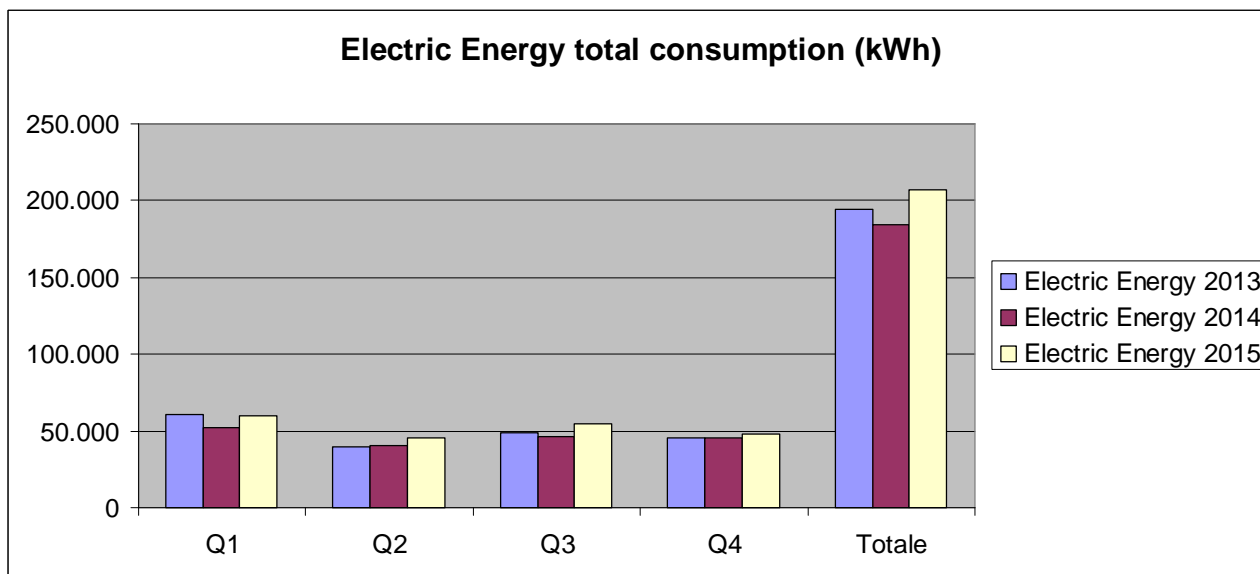
The use of paper for user manuals has been significantly reduced.

The medium ratio between the weight of packaging and the whole product in 2015 is 24,3% (26,1% in 2014).

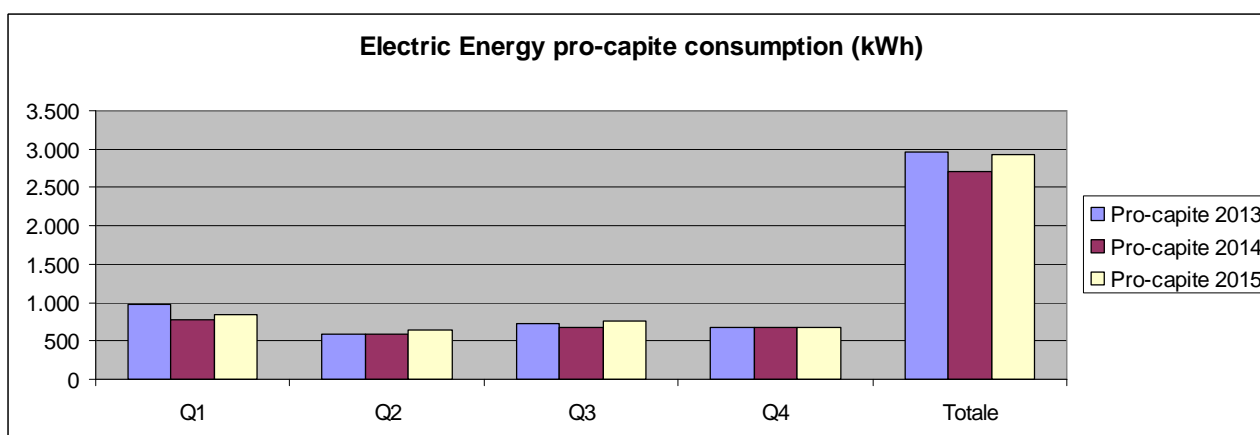


ELECTRIC ENERGY

The electric energy is used for lighting, air conditioning, heating, feeding of computer, test device and other electronic devices, not for production purpose. The total installed power is 150 kW low voltage in the main plant and 10 kW in the warehouse.



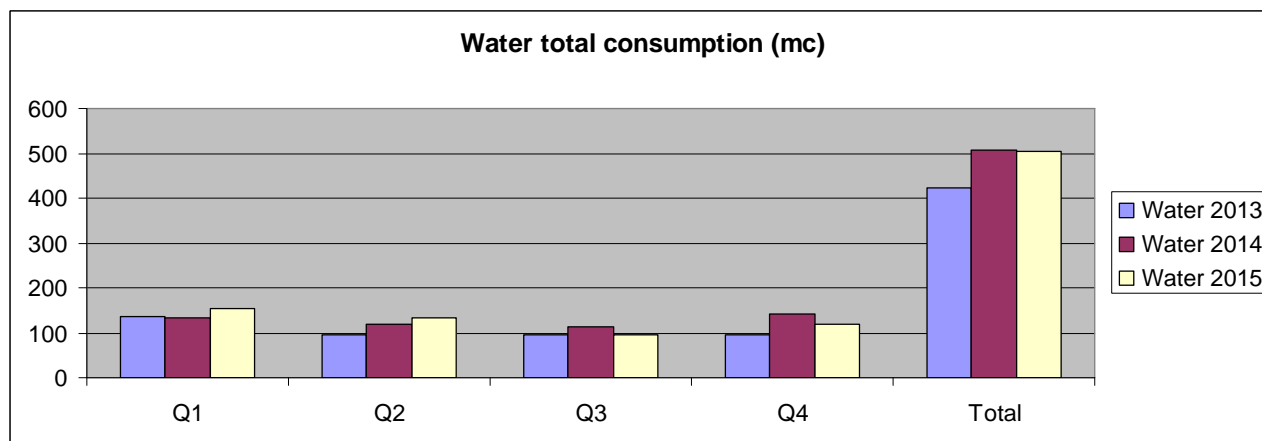
	Electric Energy 2013	Electric Energy 2014	Electric Energy 2015	Variation 2015-2014	Pro-capite 2013	Pro-capite 2014	Pro-capite 2015	Variation 2015-2014
Q1	60.207	52.218	59.379	13,7%	971	768	848	10,5%
Q2	39.692	40.534	45.202	11,5%	592	596	637	6,8%
Q3	48.963	45.963	54.596	18,8%	731	676	758	12,2%
Q4	45.255	45.847	48.136	5,0%	666	674	678	0,6%
TOT	194.117	184.562	207.313	12,3%	2.960	2.714	2.921	7,6%



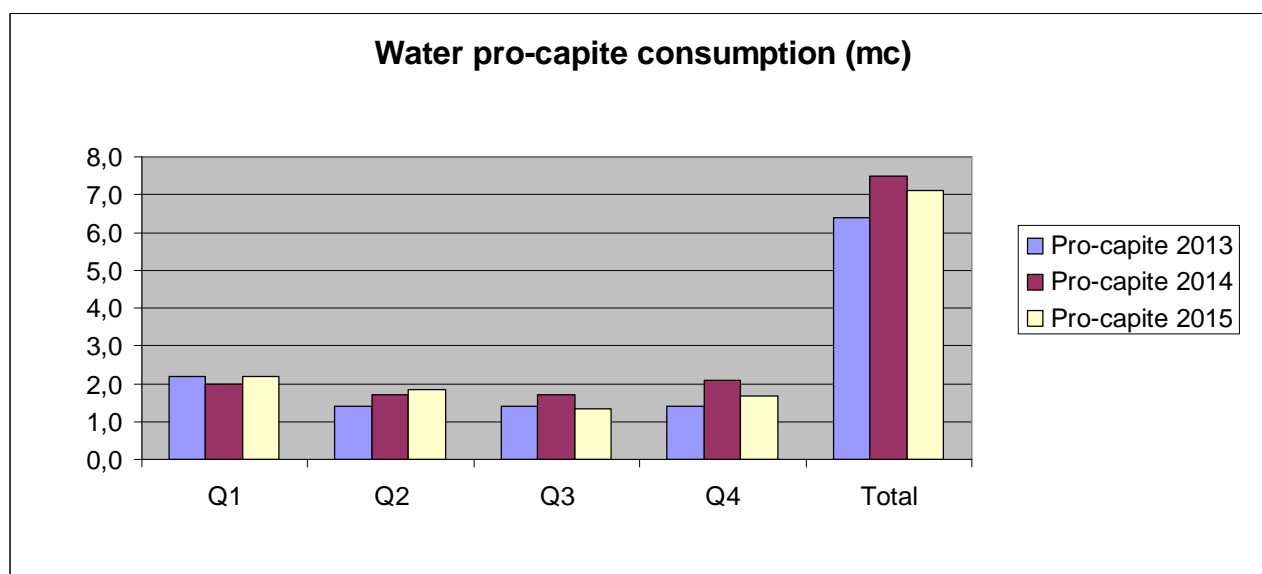
The comparison between 2015 and 2014 highlights a certain increase of the consumption (+12,3% overall and +7,6% pro-capite); this can be considered a consequence of the natural climatic conditions of the year and of the introduction of new conditioning installations.

WATER

The water is supplied by the public waterworks and is used only for drinking and toilet facilities, not for production purpose.



	Water 2013	Water 2014	Water 2015	Variation 2015-2014	Pro-capite 2013	Pro-capite 2014	Pro-capite 2015	Variation 2015-2014
Q1	135	134	154	14,9%	2,2	2,0	2,2	10,0%
Q2	96	118	132	11,9%	1,4	1,7	1,9	9,4%
Q3	95	112	97	-13,4%	1,4	1,7	1,3	-20,8%
Q4	96	143	120	-16,1%	1,4	2,1	1,7	-19,5%
TOT	422	507	503	-0,8%	6,4	7,5	7,1	-5,3%



The comparison between 2015 and 2014 highlights a slight decrease of the consumption (-0,8% overall and -5,3% pro-capite). Also during 2015 a failure of the water installation occurred, that caused a higher consumption than that in 2013.

FUEL AND EMISSIONS

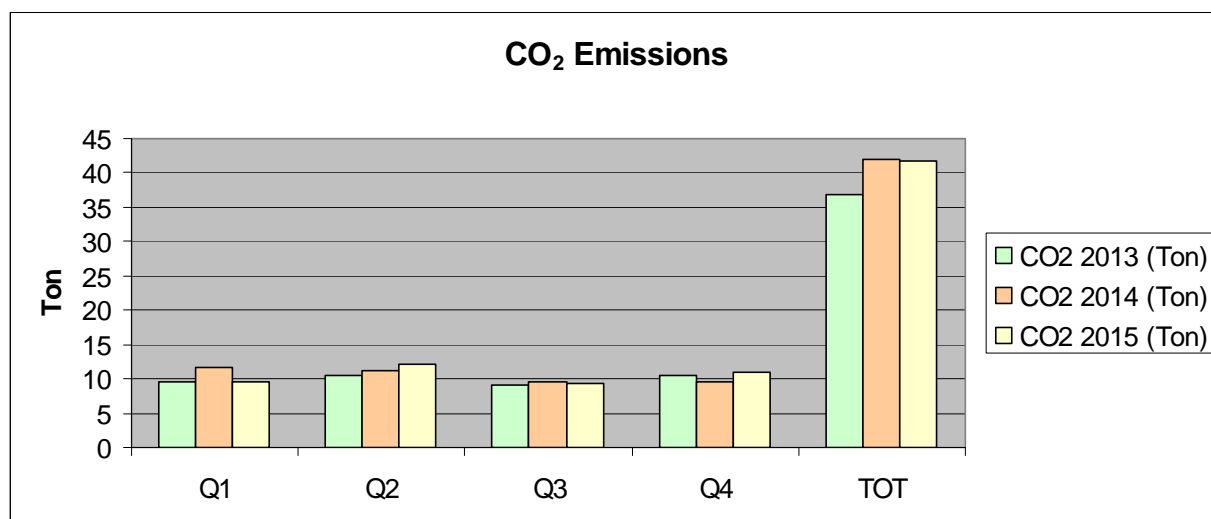
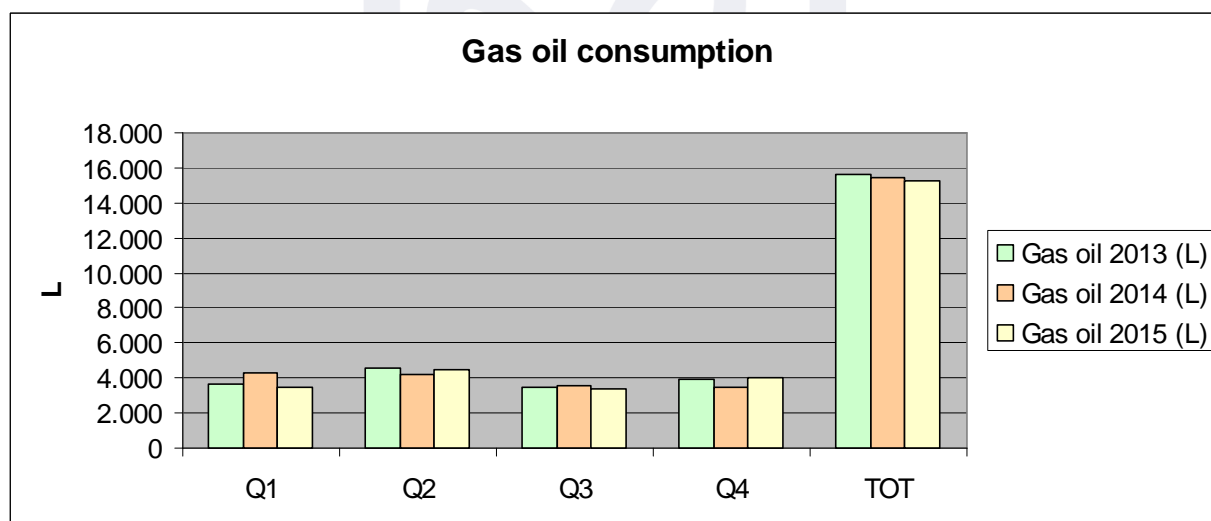
The total fuel consumption during year 2015 was 15.277 litres and the total CO₂ emissions 41,8 Tons.

The company owns 7 cars (1 more than in 2014) with medium fuel consumption from 4,1 to 5,8 L/100Km and CO₂ emissions from 106 to 182 g/Km.

The overall gas oil consumption has just slightlyly decreased if compared to the previous year (-1,10%), as well as the CO₂ emissions (-0,48%).

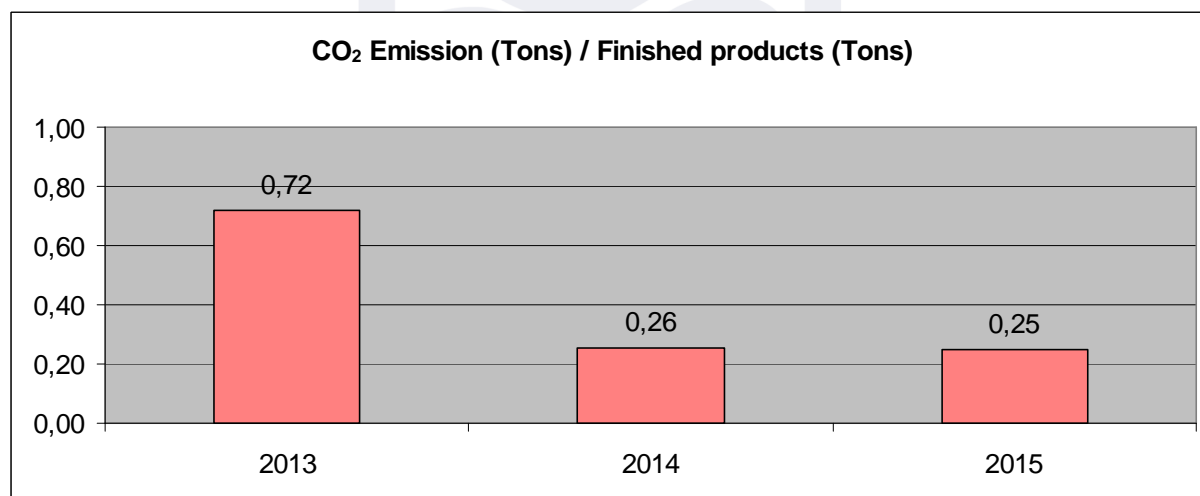
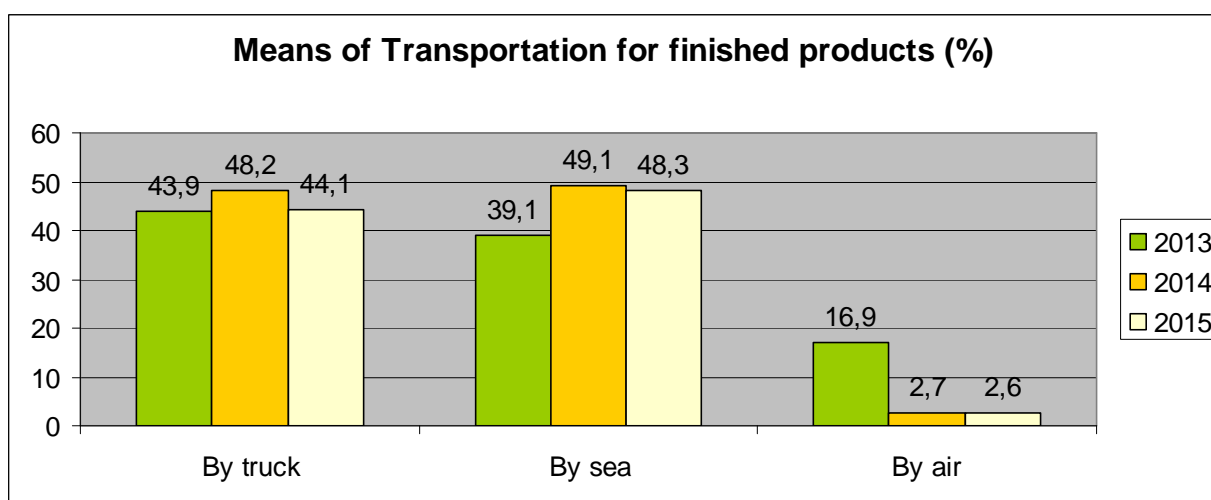
	Gas oil 2013 (L)	Gas oil 2014 (L)	Gas oil 2015 (L)	Variation 2015-2014
Q1	3.697	4.252	3.449	-18,89%
Q2	4.533	4.170	4.434	6,34%
Q3	3.452	3.527	3.372	-4,41%
Q4	3.924	3.499	4.022	14,95%
TOT	15.605	15.447	15.277	-1,10%

	CO ₂ 2013 (Ton)	CO ₂ 2014 (Ton)	CO ₂ 2015 (Ton)	Variation 2015-2014
Q1	9,6	11,6	9,5	-18,10%
Q2	10,5	11,2	12,1	8,04%
Q3	9,0	9,6	9,3	-3,12%
Q4	10,4	9,5	10,9	14,74%
TOT	36,8	42,0	41,8	-0,48%



EMISSIONS ASSOCIATED TO FINISHED PRODUCTS TRASPORTATION

Manufacturing options have relevant effects related to CO₂ emissions due to products transportation from the manufacturing plant to the company local warehouse, where they will be temporary stored before the final shipment to the customers. Thanks to the monitoring procedure introduced since 2013 and the improvement plan implemented in the following years, a drastic reduction of this environmental impact has been achieved.



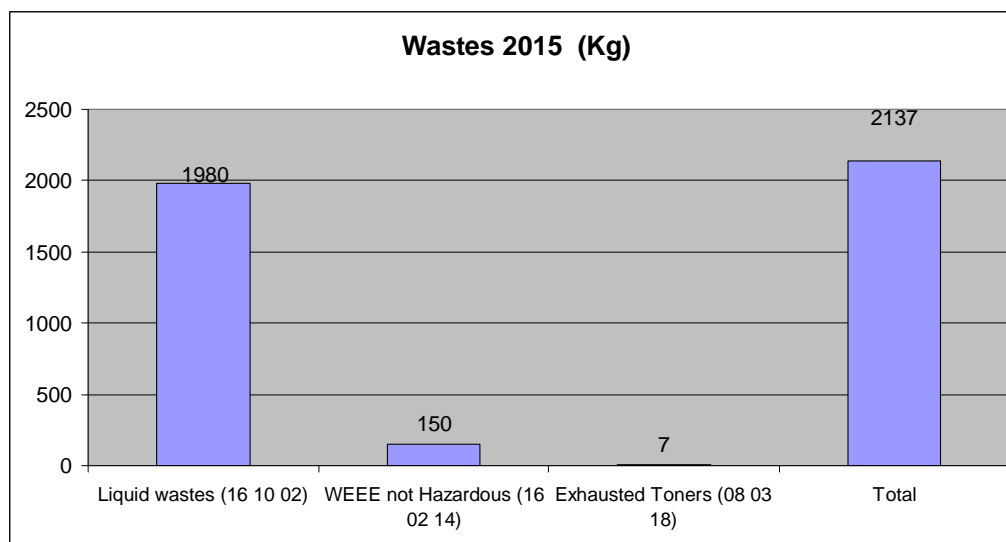
PAPER USE IN THE OFFICES

During 2015 the monitoring of paper use in the offices has been introduced; the results are summarized in the following table.

	Paper weight (Kg) 2014	Paper weight (Kg) 2015	Variation 2015-2014	Pro-capite sheets 2014	Pro-capite sheets 2015	Variation 2015-2014
Q1	-	1.587	-	-	453	-
Q2	-	1.729	-	-	487	-
Q3	-	1.276	-	-	354	-
Q4	-	1.686	-	-	475	-
TOT	5.895	6.277	+6,48%	1.734	1.768	+1,96%

WASTES

The total amount of waste produced in 2015 was 2.137 Kg. The main contribute has been the liquid wastes produced by the purifier connected to the septic tanks of the warehouse and of two other companies nearby.



The following table summarize the wastes disposed during the last three years.

These information do not include urban wastes collected and treated by AnconAmbiente for the main plant and Astea for the warehouse (paper and carton, glass and cans, plastic, organic waste, generic waste).

Wastes	2013 (Kg)	2014 (Kg)	2015 (Kg)
WEEE not hazardous (16 02 14 e 16 02 16)	851,5	-	150
WEEE hazardous (16 02 13*)	120	-	-
Neon tubes with mercury (20 01 21*)	0,5	-	-
Exhausted Toner (08 03 18)	6	-	7
Lead Batteries (16 06 01*)	180	-	-
Ni-Cd Batteries (16 06 02*)	1,5	-	-
Other Batteries (16 06 05)	5	-	-
Liquid wastes (16 10 02)	-	-	1980
TOT	1.164,5	-	2.137

No hazardous wastes have been produced in 2015.

The 7,3% of produced wastes were disposed to recycling.

TRAINING

The total amount of training about environment during year 2015 was 60 hours, besides 31 hours devoted to fire emergency, attended by 100% of personnel.

The main topics of the training were:

- Classification of hazardous wastes, waste tax and waste traceability system "SISTRI";
- management of industrial wastes;
- new UNI EN ISO 14001: 2015 standard;
- convention Ecomondo 2014;
- implementation of new directive RoHS II;
- introduction to the EMS for new recruits.



6. NEW PROJECTS

The guidelines for further developments of the Environmental Management System will be issued in the new improvement programs for 2016, after the management review of year 2015 to be held in February.

Hereby follow the new strategic recommendations for environment:

- **LEGISLATIVE CONFORMITY**
 - integration of the EMS with other company management systems and with the organizational model according to the Legislative Decree n° 231/2001

- **CONTINUAL IMPROVEMENT**
 - update of the internal Environmental Management System to the new 2015 edition of the reference standard UNI EN ISO 14001

- **PEOPLE INVOLVMENT AND PERSONNEL DEVELOPMENT**
 - internal training of representatives of all departments about the standard UNI EN ISO 14001: 2015
 - cooperation with schools and educational institutions (stages, thesis, doctorate, visits of students)

- **REDUCTION OF ENVIRONMENTAL IMPACTS AND POLLUTION PREVENTION**
 - adhesion to the energy saving campaign named "M'illumino di meno", with internal launch of a sensitization initiative
 - introduction of a new eco-design indicator related to the packaging/palletizing of products
 - use in products of a new power supply with energy performance higher than those set by the European directive ErP

- **SUPPLIERS INVOLVEMENT**
 - audit of main manufacturing partners (both Italian and foreign), with special attention to environmental management, health and safety of workers, commitment for social responsibility